

RECEIVED

OCT 12 2018

Form 3160-3  
(June 2015)

# NMOCD Artesia

FORM APPROVED  
OMB No. 1004-0137  
Expires: January 31, 2018

DISTRICT II-ARTESIA O.C.D.

UNITED STATES

DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.  
**NMNM132939**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.

**RED DEER FEDERAL COM**

**1H**

9. API-Well No.

**30-005-64323**

10. Field and Pool, or Exploratory  
**ROUND TANK / SAN ANDRES**

11. Sec., T, R, M, or Blk. and Survey or Area  
**SEC 35 / T15S / R28E / NMP**

1a. Type of work:  DRILL  REENTER  
1b. Type of Well:  Oil Well  Gas Well  Other  
1c. Type of Completion:  Hydraulic Fracturing  Single Zone  Multiple Zone

2. Name of Operator  
**MACK ENERGY CORPORATION**

3a. Address  
**11344 Lovington HWY Artesia NM 88211**

3b. Phone No. (include area code)  
**13837**  
**(575)748-1288**

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)  
At surface **NWNW / 810 FNL / 1115 FWL / LAT 32.9775872 / LONG -104.1075662**

At proposed prod. zone **NWNW / 10 FNL / 965 FWL / LAT 32.9943272 / LONG -104.1080296**

14. Distance in miles and direction from nearest town or post office\*  
**30 miles**

12. County or Parish  
**CHAVES**

13. State  
**NM**

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)  
**810 feet**

16. No. of acres in lease  
**720**

17. Spacing Unit dedicated to this well  
**160**

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft.  
**20 feet**

19. Proposed Depth  
**2795 feet / 8501 feet**

20. BLM BIA Bond No. in file

21. Elevations (Show whether DF, KDB, RT, GL., etc.)  
**3587 feet**

22. Approximate date work will start\*  
**12/01/2018**

23. Estimated duration  
**20 days**

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

- |  |   |
|--|---|
| 1. Well plat certified by a registered surveyor.   | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan.  | 5. Operator certification.  |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and or plans as may be requested by the BLM.            |

25. Signature  
(Electronic Submission)

Name (Printed/Typed)  
**Deana Weaver / Ph: (575)748-1288**

Date  
**08/21/2018**

Title  
**Production Clerk**

Approved by (Signature)  
(Electronic Submission)

Name (Printed/Typed)  
**Ruben J Sanchez / Ph: (575)627-0250**

Date  
**10/09/2018**

Title  
**Assistant Field Manager, Lands & Minerals**

Office  
**ROSWELL**

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**APPROVED WITH CONDITIONS**  
Approval Date: 10/09/2018

(Continued on page 2)

\*(Instructions on page 2)

*RW 10-16-18*

## INSTRUCTIONS

**GENERAL:** This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

**ITEM 1:** If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

**ITEM 4:** Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

**ITEM 14:** Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal agency offices.

**ITEMS 15 AND 18:** If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective productive zone.

**ITEM 22:** Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

**ITEM 24:** If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

## NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

**AUTHORITY:** 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

**PRINCIPAL PURPOSES:** The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

**ROUTINE USE:** Information from the record and/or the record will be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

**EFFECT OF NOT PROVIDING INFORMATION:** Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Connection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

**Additional Operator Remarks**

**Location of Well**

- 1. SHL: NWNW / 810 FNL / 1115 FWL / TWSP: 15S / RANGE: 28E / SECTION: 35 / LAT: 32.9775872 / LONG: -104.1075662 ( TVD: 0 feet, MD: 0 feet )
- PPP: SWSW / 100 FSL / 965 FWL / TWSP: 15S / RANGE: 28E / SECTION: 26 / LAT: 32.9801003 / LONG: -104.1080823 ( TVD: 2525 feet, MD: 2626 feet )
- BHL: NWNW / 10 FNL / 965 FWL / TWSP: 15S / RANGE: 28E / SECTION: 26 / LAT: 32.9943272 / LONG: -104.1080296 ( TVD: 2795 feet, MD: 8501 feet )

**BLM Point of Contact**

Name: Meighan M Salas  
Title: Land Law Examiner  
Phone: 5756270228  
Email: mmsalas@blm.gov

**CONFIDENTIAL**

## Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

## Geologic Conditions of Approval

Operator proposes 250 , which is below all usable water zones, past records indicate a problem at approximate depth of 220 to 235 . BLM generally recommends surface casing set at an appropriate area. Operator proposes an intermediate string at 1200 this will be in the Seven Rivers, contingency plan is required for this specific APD. At this time, there are reports of H2S releases greater than 100 ppm in the area. There is possibility of lost circulation in the base of the Rustler and in the Queen and San Andres Formations. The location of the proposed well is within a medium potential for the occurrence of karst type features. The Salado occurs at or near the surface, the Rustler may be absent in this area. Data density in the area to surface is low, ensure GIs and CNL are run to surface and submitted to BLM for future development.

CONFIDENTIAL

**PECOS DISTRICT  
DRILLING OPERATIONS  
CONDITIONS OF APPROVAL**

<b>OPERATOR'S NAME:</b>	<b>Mack Energy Corporation</b>
<b>LEASE NO.:</b>	<b>NMNM-132939</b>
<b>WELL NAME &amp; NO.:</b>	<b>Red Deer Federal Com 1H</b>
<b>SURFACE HOLE FOOTAGE:</b>	<b>0810' FNL &amp; 1115' FWL</b>
<b>BOTTOM HOLE FOOTAGE</b>	<b>0010' FNL &amp; 0965' FWL Sec. 26, T. 15 S., R 28 E.</b>
<b>LOCATION:</b>	<b>Section 35, T. 15 S., R 28 E., NMPM</b>
<b>COUNTY:</b>	<b>County, New Mexico</b>

**The Gamma Ray and Neutron well logs must be run from total depth to surface and e-mailed to Chris Bolen at [cbolen@blm.gov](mailto:cbolen@blm.gov) or hard copy mailed to 2909 West Second Street Roswell, NM 88201 to his attention.**

**Communitization Agreement**

The operator will submit a Communitization Agreement to the Roswell Field Office, 2909 West 2<sup>nd</sup> Street Roswell, New Mexico 88201, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.

If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.

In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)

- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

**Chaves and Roosevelt Counties**

Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201.  
During office hours call (575) 6270272.  
After office hours call (575) 361-0106.

**A. Hydrogen Sulfide**

1. **Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.**
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a “Major” violation.**
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.
4. **The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.**

**B. CASING**

**Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.**

**Centralizers required on surface casing per Onshore Order 2.III.B.1.f.**

**Wait on cement (WOC) for Water Basin:**

**After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements.**

**Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.**

**No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.**

**Medium Cave/Karst**

**Possibility of lost circulation in the Queen and San Andres formations.**

1. The 13-3/8 inch surface casing shall be set at approximately 500 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. **If salt is encountered, set casing at least 25 feet above the salt.**
  - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
  - b. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**
  - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
  - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
  
2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:
  - Cement to surface. If cement does not circulate see B.1.a, c-d above.

**Centralizers required on horizontal leg, must be type for horizontal service and a minimum of one every other joint.**

3. The minimum required fill of cement behind the 7 X 5-1/2 inch production casing is:
  - Cement to surface as proposed by operator. If cement does not circulate, contact the appropriate BLM office.
4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

### **C. PRESSURE CONTROL**

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API 53.
2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be psi (**Installing 3M BOP, testing to 2,000 psi**).
3. The appropriate BLM office shall be notified a minimum of hours in advance for a representative to witness the tests.
  - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
  - a. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**.
  - b. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall

have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.

- c. The results of the test shall be reported to the appropriate BLM office.
- d. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**
- e. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.

#### **D. DRILL STEM TEST**

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

#### **E. WASTE MATERIAL AND FLUIDS**

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

**JAM 083118**

## PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Mack Energy Corporation - Sherrell, Jerry
LEASE NO.:	NMNM132939
WELL NAME & NO.:	RED DEER FEDERAL COM - 1H
SURFACE HOLE FOOTAGE:	[810]' F [N] L [1115]' F [W] L
BOTTOM HOLE FOOTAGE:	[10]' F [N] L [965]' F [W] L
LOCATION:	Section 035, T015. S., R 028 E., NMPM
COUNTY:	Chaves County, New Mexico

### 1. GENERAL PROVISIONS

Approval of the APD does not warrant that any party holds equitable or legal title. Any request for a variance shall be submitted to the Authorized Officer on Sundry Notice (Form 3160-5).

For BLM's surface operating standards and guidelines, refer to: The Gold Book, Fourth Edition – Revised 2007. To obtain a copy free of charge contact the Roswell Field Office (575) 627-0272 or visit BLM on the web at:

[http://www.blm.gov/wo/st/en/prog/energy/oil\\_and\\_gas/best\\_management\\_practices/gold\\_book.html](http://www.blm.gov/wo/st/en/prog/energy/oil_and_gas/best_management_practices/gold_book.html)

All construction, operations, and reclamation shall follow the Onshore Oil and Gas Operations as described in the 43 CFR part 3160.

The Operator shall submit a Sundry Notice (Form 3160-5) to the Bureau of Land Management, Roswell Field Office (address above) for approval prior to beginning any new surface-disturbing activities or operations that are not specifically addressed and approved by this APD.

A site facility diagram and a site security plan shall be filed no later than 60 calendar days following first production (Onshore Order 3, Section III, I. and 43 CFR 3162.7-5).

### 2. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD (Filing of a Sundry Notice is required for this 60 day extension).

### 3. PRODUCTION

#### Storage

Fiberglass storage tanks are *not* permitted for the storage of production.

**Approval Date: 10/09/2018**

## **Placement of Production Facilities**

Production facilities should be placed on the well pad to allow for maximum interim reclamation and re-vegetation of the well location.

## **Containment Structures**

All production facilities shall have a lined containment structure large enough to contain **110% of the largest Tank (PLUS) 24 hours of production** (43 CFR 3162.5-1) *Environmental Obligations*, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

## **Completion Report**

In accordance with 43 CFR 3160, Form 3160-4 (Well Completion or Re-completion Report and Log) must be submitted to the Bureau of Land Management, Roswell Field Office within 30 days after completion of the well or producer. Copies of all open hole and cased hole logs, core descriptions, core analyses, well test data, geologic summaries, sample descriptions, formation test reports, stimulation reports, directional survey (if applicable), and all other surveys or data obtained and compiled during the drilling, completion, and/or work over operations, shall be included with Form 3160-4.

### **4. CAVE AND KARST**

Any Cave or Karst feature discovered by the operator or by any person working on the operator's behalf shall immediately report the feature to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. During drilling, previously unknown cave and karst features could be encountered. If a void is encountered while drilling and a loss of circulation occurs, lost drilling fluids can directly contaminate groundwater recharge areas, aquifers, and groundwater quality. Drilling operations can also lead to sudden collapse of underground voids.

To mitigate or lessen the probability of impacts associated with the drilling and production of oil and gas wells in karst areas, the guidelines listed in Appendix 3, Practices for Oil and Gas Drilling and Production in Cave and Karst Areas, as approved in the Roswell Resource Management Plan Amendment of 1997, page AP3-4 through AP 3-7 shall be followed.

A more complete discussion of the impacts of oil and gas drilling can be found in the *Dark Canyon Environmental Impact Statement of 1993*, published by the U.S. Department of the Interior, Bureau of Land Management.

### **5. ARCHAEOLOGICAL, PALEONTOLOGICAL & HISTORICAL SITES**

Any cultural and/or paleontological resource discovered inadvertently by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized

Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

#### **6. HUMAN REMAINS AND OBJECTS OF CULTURAL PATRIMONY**

The operator shall comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA) to protect such cultural items as human remains, funerary objects, sacred objects, and objects of cultural patrimony that are discovered inadvertently during project implementation. In the event that any of the cultural items listed above are discovered during the course of project work, the proponent shall immediately halt the disturbance and contact the BLM within 24 hours for instructions. The proponent or initiator of any project shall be held responsible for protecting, evaluating, reporting, excavating, treating, and disposing of these cultural items according to the procedures established by the BLM in consultation with Indian Tribes.

#### **7. Air Quality Mitigation Measures**

The operator shall implement dust abatement measures as needed to prevent fugitive dust from vehicular traffic and equipment operations, or wind events.



U.S. Department of the Interior  
BUREAU OF LAND MANAGEMENT

# Operator Certification Data Report

10/10/2018

## Operator Certification

*I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.*

**NAME:** Deana Weaver

**Signed on:** 08/21/2018

**Title:** Production Clerk

**Street Address:** 11344 Lovington HWY

**City:** Artesia

**State:** NM

**Zip:** 88211

**Phone:** (575)748-1288

**Email address:** dweaver@mec.com

## Field Representative

**Representative Name:**

**Street Address:**

**City:**

**State:**

**Zip:**

**Phone:**

**Email address:**



APD ID: 10400032359

Submission Date: 08/21/2018

Operator Name: MACK ENERGY CORPORATION

Highlighted data  
reflects the most  
recent changes

Well Name: RED DEER FEDERAL COM

Well Number: 1H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

### Section 1 - General

APD ID: 10400032359

Tie to previous NOS? 10400031625 Submission Date: 08/21/2018

BLM Office: ROSWELL

User: Deana Weaver

Title: Production Clerk

Federal/Indian APD: FED

Is the first lease penetrated for production Federal or Indian? FED

Lease number: NMNM132939

Lease Acres: 720

Surface access agreement in place?

Allotted?

Reservation:

Agreement in place? NO

Federal or Indian agreement:

Agreement number:

Agreement name:

Keep application confidential? YES

Permitting Agent? NO

APD Operator: MACK ENERGY CORPORATION

Operator letter of designation:

### Operator Info

Operator Organization Name: MACK ENERGY CORPORATION

Operator Address: 11344 Lovington HWY

Zip: 88211

Operator PO Box:

Operator City: Artesia

State: NM

Operator Phone: (575)748-1288

Operator Internet Address: jerrys@mec.com

### Section 2 - Well Information

Well in Master Development Plan? NO

Mater Development Plan name:

Well in Master SUPO? NO

Master SUPO name:

Well in Master Drilling Plan? NO

Master Drilling Plan name:

Well Name: RED DEER FEDERAL COM

Well Number: 1H

Well API Number:

Field/Pool or Exploratory? Field and Pool

Field Name: ROUND TANK

Pool Name: SAN ANDRÉS

Is the proposed well in an area containing other mineral resources? USEABLE WATER

Operator Name: MACK ENERGY CORPORATION

Well Name: RED DEER FEDERAL COM

Well Number: 1H

Describe other minerals:

Is the proposed well in a Helium production area? N Use Existing Well Pad? NO New surface disturbance?

Type of Well Pad: SINGLE WELL

Multiple Well Pad Name:

Number:

Well Class: HORIZONTAL

Number of Legs: 1

Well Work Type: Drill

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: DELINEATION

Describe sub-type:

Distance to town: 30 Miles

Distance to nearest well: 20 FT

Distance to lease line: 810 FT

Reservoir well spacing assigned acres Measurement: 160 Acres

Well plat: RED\_DEER\_FEDERAL\_COM\_1H\_20180820153748.pdf

Well work start Date: 12/01/2018

Duration: 20 DAYS

### Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83

Vertical Datum: NAVD88

Survey number: 5306

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
SHL Leg #1	810	FNL	1115	FWL	15S	28E	35	Aliquot NWN W	32.9775872	-104.1075662	CHA VES	NEW MEXI CO	NEW MEXI CO	F	FEE	3587	0	0
KOP Leg #1	810	FNL	1115	FWL	15S	28E	35	Aliquot NWN W	32.9775872	-104.1075662	CHA VES	NEW MEXI CO	NEW MEXI CO	F	FEE	1649	1938	1938
PPP Leg #1	100	FSL	965	FWL	15S	28E	26	Aliquot SWS W	32.9801003	-104.1080823	CHA VES	NEW MEXI CO	NEW MEXI CO	F	NMNM 132939	1062	2626	2525

Operator Name: MACK ENERGY CORPORATION

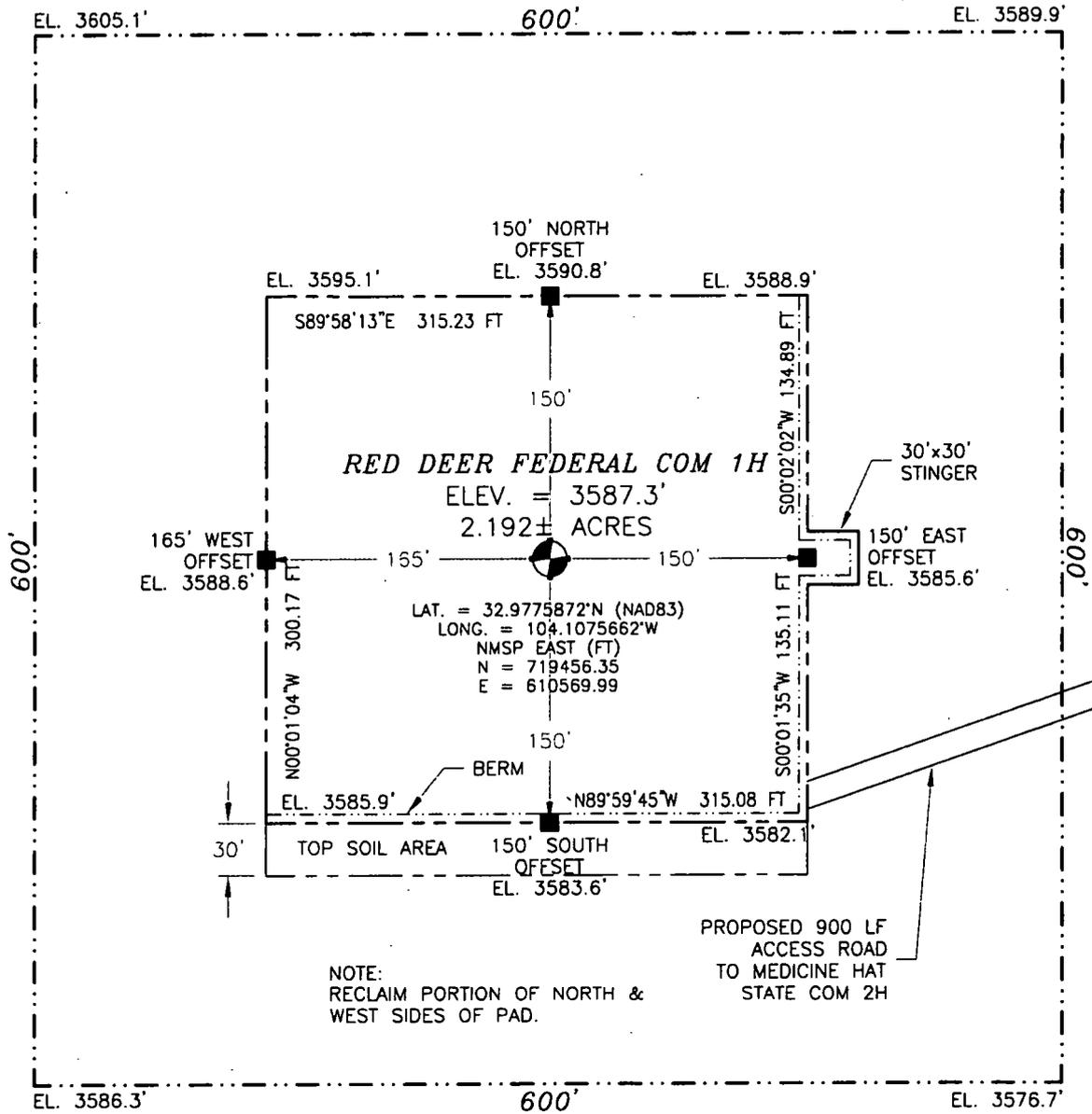
Well Name: RED DEER FEDERAL COM

Well Number: 1H

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
EXIT Leg #1	100	FNL	965	FWL	15S	28E	26	Aliquot NWN W	32.99407 99	- 104.1080 269	CHA VES	NEW MEXI CO	NEW MEXI CO	F	NMNM 132939	792	840 0	279 5
BHL Leg #1	10	FNL	965	FWL	15S	28E	26	Aliquot NWN W	32.99432 72	- 104.1080 296	CHA VES	NEW MEXI CO	NEW MEXI CO	F	NMNM 132939	792	850 1	279 5

SECTION 35, TOWNSHIP 15 SOUTH, RANGE 28 EAST, N.M.P.M.  
 CHAVES COUNTY, STATE OF NEW MEXICO  
**SITE MAP**

NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE



NOTE:  
 RECLAIM PORTION OF NORTH &  
 WEST SIDES OF PAD.

PROPOSED 900 LF  
 ACCESS ROAD  
 TO MEDICINE HAT  
 STATE COM 2H



010 50 100 200

SCALE 1" = 100'

**DIRECTIONS TO LOCATION**

FROM INTERSECTION OF STATE HIGHWAY 82 AND CR 209 (TURKEY TRACK) GO NORTH ON CR 209 FOR APPROX. 5.0 MILES TO END OF CR MAINTENANCE, CONTINUE NORTH ON TURKEY TRACK ROAD FOR APPROX. 6.5 MILES, CONTINUE NORTHEAST ON 15' CALICHE LEASE ROAD FOR APPROX. 2500' TO SYDNEY STATE 1H PAD. CONTINUE NORTHWEST ON 15' CALICHE LEASE ROAD FOR APPROX. 0.1 OF A MILE, GO WEST ON 20' CALICHE LEASE ROAD APPROX. 1374' TO MEDICINE HAT STATE COM 2H, FROM SOUTHWEST PAD CORNER FOLLOW ROAD SURVEY SOUTHWEST FOR 900' TO SOUTHEAST PAD CORNER FOR THIS LOCATION.

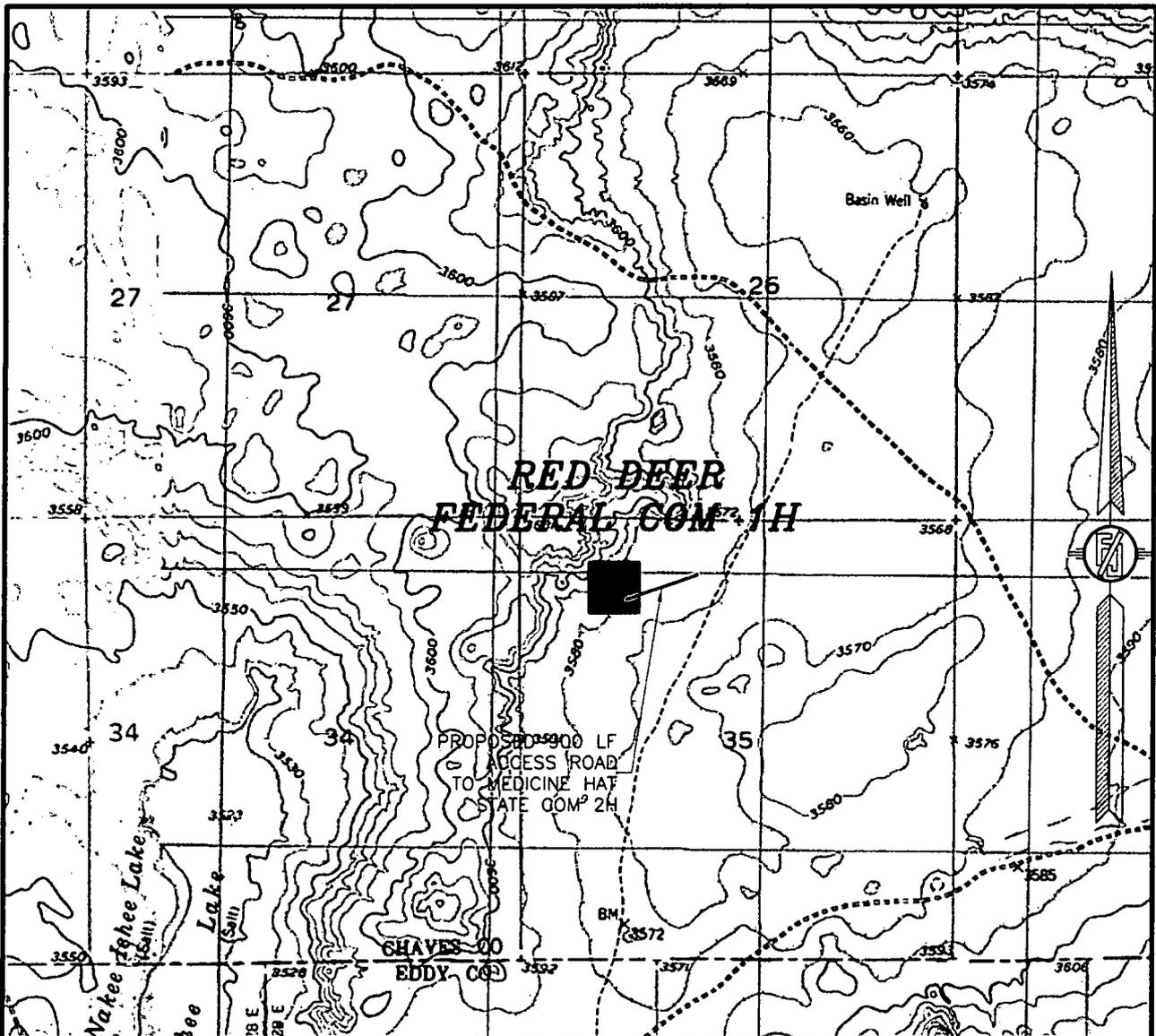
**MACK ENERGY CORPORATION**  
**RED DEER FEDERAL COM 1H**  
 LOCATED 810 FT. FROM THE NORTH LINE  
 AND 1115 FT. FROM THE WEST LINE OF  
 SECTION 35, TOWNSHIP 15 SOUTH,  
 RANGE 28 EAST, N.M.P.M.  
 CHAVES COUNTY, STATE OF NEW MEXICO

JUNE 22, 2018

SURVEY NO. 5306

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO  
 (575) 234-3341

SECTION 35, TOWNSHIP 15 SOUTH, RANGE 28 EAST, N.M.P.M.  
 CHAVES COUNTY, STATE OF NEW MEXICO  
 LOCATION VERIFICATION MAP



USGS QUAD MAP:  
 BASIN WELL

NOT TO SCALE

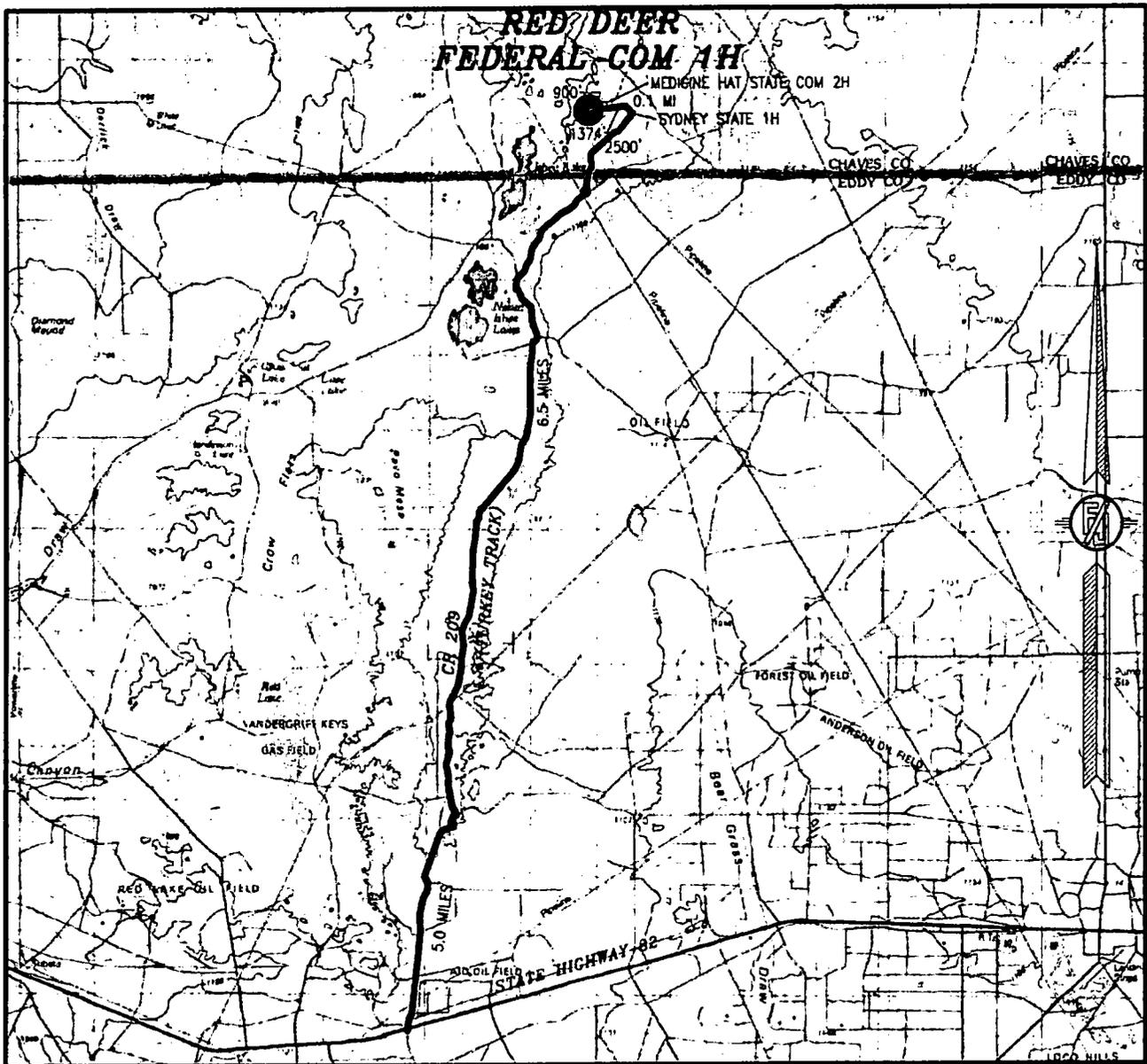
MACK ENERGY CORPORATION  
**RED DEER FEDERAL COM 1H**  
 LOCATED 810 FT. FROM THE NORTH LINE  
 AND 1115 FT. FROM THE WEST LINE OF  
 SECTION 35, TOWNSHIP 15 SOUTH,  
 RANGE 28 EAST, N.M.P.M.  
 CHAVES COUNTY, STATE OF NEW MEXICO

JUNE 22, 2018

SURVEY NO. 5306

MADRON SURVEYING, INC. 301 SOUTH CAHAL (575) 234-3341 CARLSBAD, NEW MEXICO

SECTION 35, TOWNSHIP 15 SOUTH, RANGE 28 EAST, N.M.P.M.  
 CHAVES COUNTY, STATE OF NEW MEXICO  
 VICINITY MAP



DISTANCES IN MILES

NOT TO SCALE

MACK ENERGY CORPORATION  
**RED DEER FEDERAL COM 1H**  
 LOCATED 810 FT. FROM THE NORTH LINE  
 AND 1115 FT. FROM THE WEST LINE OF  
 SECTION 35, TOWNSHIP 15 SOUTH,  
 RANGE 28 EAST, N.M.P.M.  
 CHAVES COUNTY, STATE OF NEW MEXICO

**DIRECTIONS TO LOCATION**

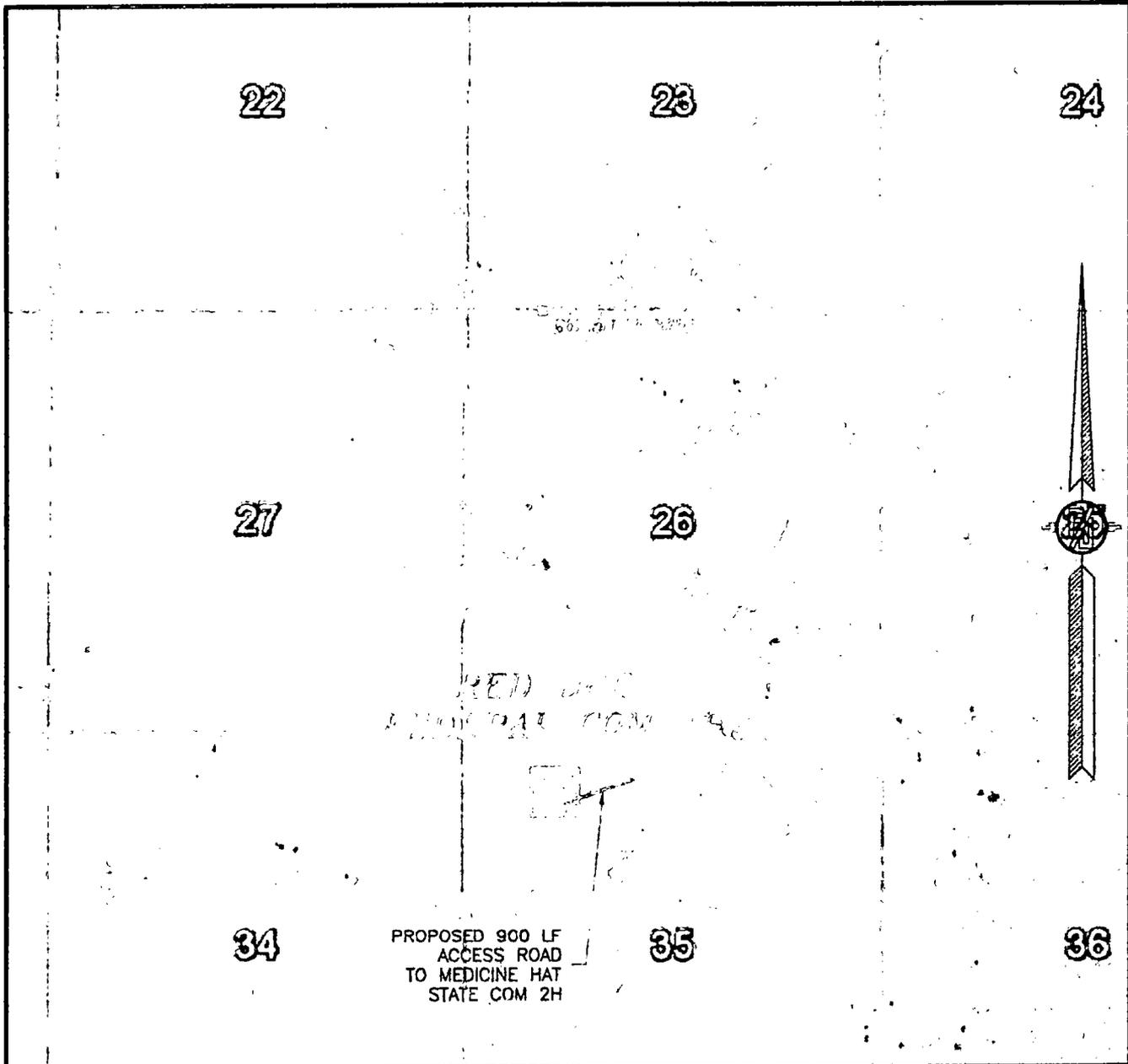
FROM INTERSECTION OF STATE HIGHWAY 82 AND CR 209 (TURKEY TRACK) GO NORTH ON CR 209 FOR APPROX. 5.0 MILES TO END OF CR MAINTENANCE. CONTINUE NORTH ON TURKEY TRACK ROAD FOR APPROX. 6.5 MILES, CONTINUE NORTHEAST ON 15' CALICHE LEASE ROAD FOR APPROX. 2500' TO SYDNEY STATE 1H PAD. CONTINUE NORTHWEST ON 15' CALICHE LEASE ROAD FOR APPROX. 0.1 OF A MILE, GO WEST ON 20' CALICHE LEASE ROAD APPROX. 1374' TO MEDICINE HAT STATE COM 2H. FROM SOUTHWEST PAD CORNER FOLLOW ROAD SURVEY SOUTHWEST FOR 900' TO SOUTHEAST PAD CORNER FOR THIS LOCATION.

JUNE 22, 2018

SURVEY NO. 5306

MADRON SURVEYING, INC. 301 SOUTH CANAL (505) 734-3341 CARLSBAD, NEW MEXICO

SECTION 35, TOWNSHIP 15 SOUTH, RANGE 28 EAST, N.M.P.M.  
CHAVES COUNTY, STATE OF NEW MEXICO  
AERIAL PHOTO



NOT TO SCALE  
AERIAL PHOTO:  
GOOGLE EARTH  
FEBRUARY 2017

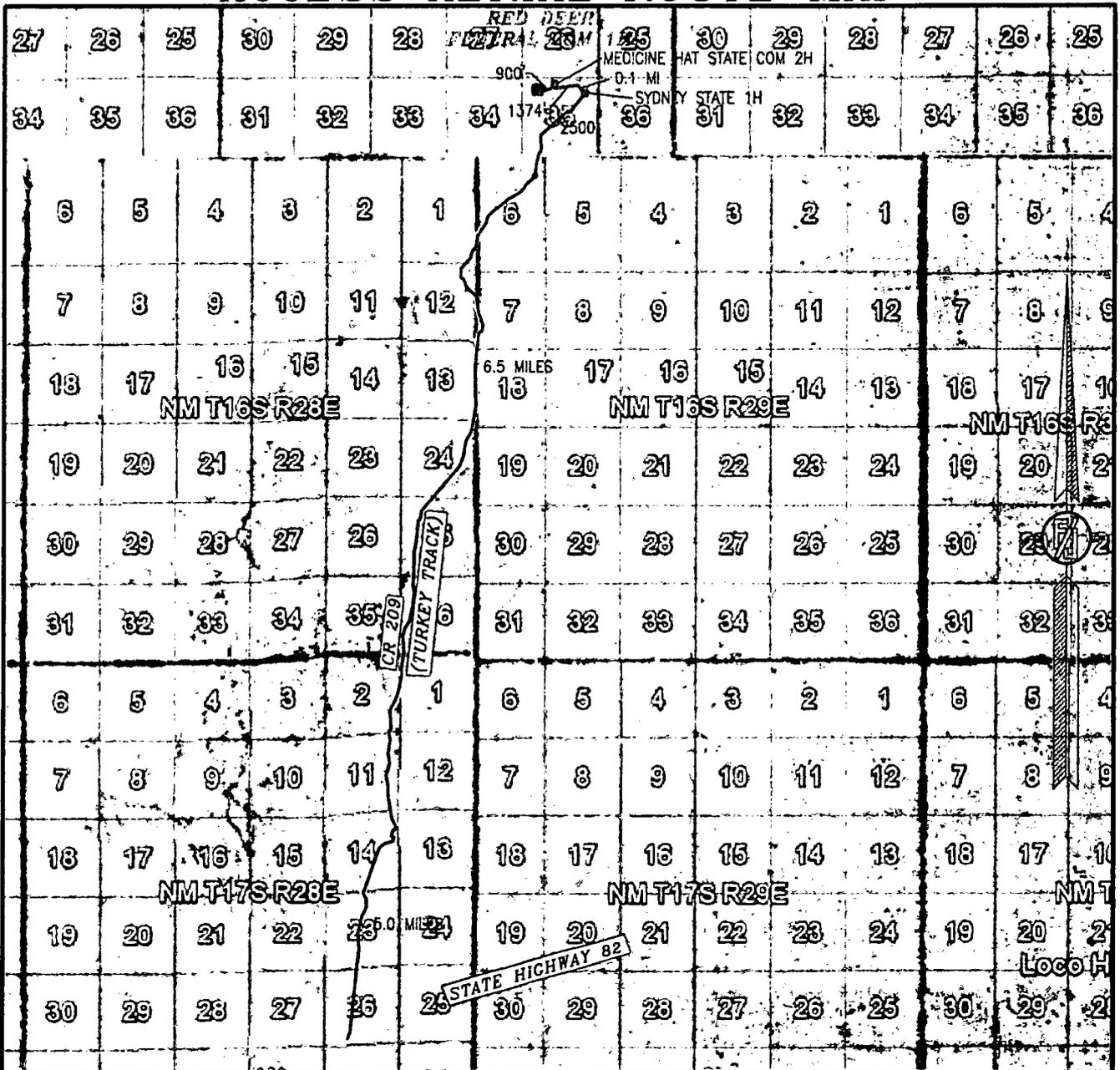
**MACK ENERGY CORPORATION**  
**RED DEER FEDERAL COM 1H**  
LOCATED 810 FT. FROM THE NORTH LINE  
AND 1115 FT. FROM THE WEST LINE OF  
SECTION 35, TOWNSHIP 15 SOUTH,  
RANGE 28 EAST, N.M.P.M.  
CHAVES COUNTY, STATE OF NEW MEXICO

JUNE 22, 2018

SURVEY NO. 5306

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

SECTION 35, TOWNSHIP 15 SOUTH, RANGE 28 EAST, N.M.P.M.  
 CHAVES COUNTY, STATE OF NEW MEXICO  
 ACCESS AERIAL ROUTE MAP



NOT TO SCALE  
 AERIAL PHOTO:  
 GOOGLE EARTH  
 FEBRUARY 2017

MACK ENERGY CORPORATION  
**RED DEER FEDERAL COM 1H**  
 LOCATED 810 FT. FROM THE NORTH LINE  
 AND 1115 FT. FROM THE WEST LINE OF  
 SECTION 35, TOWNSHIP 15 SOUTH,  
 RANGE 28 EAST, N.M.P.M.  
 CHAVES COUNTY, STATE OF NEW MEXICO

JUNE 22, 2018

SURVEY NO. 5306

MADRON SURVEYING, INC. 301 SOUTH CANA CARLSBAD, NEW MEXICO  
 (505) 234-3341



APD ID: 10400032359

Submission Date: 08/21/2018

Operator Name: MACK ENERGY CORPORATION

Well Name: RED DEER FEDERAL COM

Well Number: 1H

Well Type: OIL WELL

Well Work Type: Drill

Highlighted data  
reflects the most  
recent changes

[Show Final Text](#)

### Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical Depth	Measured Depth	Lithologies	Mineral Resources	Producing Formation
1	QUATERNARY	3587	0	0	ALLUVIUM	NONE	No
2	YATES	3077	510	510	ANHYDRITE,SILTSTONE	NATURAL GAS,OIL	No
3	SEVEN RIVERS	2848	739	739	ANHYDRITE,SILTSTONE	NATURAL GAS,OIL	No
4	QUEEN	2360	1227	1227	ANHYDRITE,SILTSTONE	NATURAL GAS,OIL	No
5	GRAYBURG	1961	1626	1626	DOLOMITE,ANHYDRITE,SILTSTONE	NATURAL GAS,OIL	No
6	SAN ANDRES	1639	1948	1948	DOLOMITE,ANHYDRITE	NATURAL GAS,OIL	Yes

### Section 2 - Blowout Prevention

Pressure Rating (PSI): 3M

Rating Depth: 8501

Equipment: Rotating Head, Mud-Gas Separator

Requesting Variance? NO

Variance request:

Testing Procedure: The BOP/BOPE test shall include a low pressure test from 250 to 300psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

Choke Diagram Attachment:

choke\_manifold\_diagram\_20180801113213.pdf

choke\_manifold\_20180801113222.pdf

BOP Diagram Attachment:

bop\_diagram\_20180801113231.pdf

Operator Name: MACK ENERGY CORPORATION

Well Name: RED DEER FEDERAL COM

Well Number: 1H

### Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	250	0	250			250	J-55	48	STC	5.929	4.691	BUOY	42.296	BUOY	4.74
2	INTERMEDIATE	12.25	9.625	NEW	API	N	0	1200	0	1200			1200	J-55	36	STC	3.232	7.04	BUOY	10.768	BUOY	7.04
3	PRODUCTION	8.75	7.0	NEW	API	N	0	3500	0	3500			3500	HCP-110	26	BUTT	5.729	3.107	BUOY	8.261	BUOY	3.616
4	PRODUCTION	8.75	5.5	NEW	API	N	3500	8501	3500	8501			5001	HCP-110	17	BUTT	5.729	3.711	BUOY	8.261	BUOY	3.711

#### Casing Attachments

Casing ID: 1 String Type: SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

red\_deer\_1\_Surface\_Csg\_20180809103128.pdf

**Operator Name:** MACK ENERGY CORPORATION

**Well Name:** RED DEER FEDERAL COM

**Well Number:** 1H

**Casing Attachments**

---

**Casing ID:** 2      **String Type:** INTERMEDIATE

**Inspection Document:**

**Spec Document:**

**Tapered String Spec:**

**Casing Design Assumptions and Worksheet(s):**

Red\_Deer\_1\_\_Inter.\_Csg\_20180809103407.pdf

---

**Casing ID:** 3      **String Type:** PRODUCTION

**Inspection Document:**

**Spec Document:**

**Tapered String Spec:**

**Casing Design Assumptions and Worksheet(s):**

Red\_Deer\_1\_Pro\_Csg\_20180809103652.pdf

---

**Casing ID:** 4      **String Type:** PRODUCTION

**Inspection Document:**

**Spec Document:**

**Tapered String Spec:**

**Casing Design Assumptions and Worksheet(s):**

Red\_Deer\_1\_Pro\_Csg\_20180809104901.pdf

---

**Section 4 - Cement**

**Operator Name:** MACK ENERGY CORPORATION

**Well Name:** RED DEER FEDERAL COM

**Well Number:** 1H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead	250	0	250	100	1.61	14.4	340		RFC + 125 PF53 +2%PF1+ 5ppsPF42+.125p psPF29	20bbls Gelled Water 50sx of 11# Scavenger Cement
SURFACE	Tail		0	250	200	1.34	14.8		100	Class C + 1%PF1	20bbls Gelled Water 50sx of 11# Scavenger Cement
INTERMEDIATE	Lead	1200	0	1200	560	1.34	14.8	0	100	Class C 1% PF1	20bbls Gelled Water 50sx of 11# Scavenger Cement

PRODUCTION	Lead	3500	0	3500	300	1.84	13.2	1047. 76	35	Class C 4% PF20 +4pps PF45+125pps PF29	20bbls Gelled Water 20bbls Chemical Wash 50sx of 11# Scavenger Cement
------------	------	------	---	------	-----	------	------	-------------	----	---	--

PRODUCTION	Lead	8501	3500	8501	1410	1.48	13	1047. 76	35	PVL + 1.3 (BWOW) PF44 +5% PF174+ .5% PF606 +.1%PF153 +.4pps PF44	20bbls Gelled Water 20bbls Chemical Wash 50sx of 11# Scavenger Cement
------------	------	------	------	------	------	------	----	-------------	----	---	--

## Section 5 - Circulating Medium

**Mud System Type:** Closed

**Will an air or gas system be Used?** NO

**Description of the equipment for the circulating system in accordance with Onshore Order #2:**

**Diagram of the equipment for the circulating system in accordance with Onshore Order #2:**

**Describe what will be on location to control well or mitigate other conditions:** BOPE Brine Water

**Describe the mud monitoring system utilized:** Parson PVT with Pit Volume Recorder

## Circulating Medium Table

**Operator Name:** MACK ENERGY CORPORATION

**Well Name:** RED DEER FEDERAL COM

**Well Number:** 1H

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
0	250	SPUD MUD	9.6	10	74.8		11		160000		Gel Strength 0-1.0 Viscosity 34-38
250	1200	LSND/GEL	9.6	10	74.8		11		160000		Gel Strength 0-1.0 Viscosity 34-38
1800	8501	LSND/GEL	9.6	10	74.8		11		160000		Gel Strength 0-1.0 Viscosity 34-38

### Section 6 - Test, Logging, Coring

**List of production tests including testing procedures, equipment and safety measures:**

None

**List of open and cased hole logs run in the well:**

CALIPER,CNL/FDC,DLL,FDC,GR

**Coring operation description for the well:**

Will evaluate after logging to determine the necessity for sidewall coring

### Section 7 - Pressure

**Anticipated Bottom Hole Pressure:** 1404

**Anticipated Surface Pressure:** 778.54

**Anticipated Bottom Hole Temperature(F):** 95

**Anticipated abnormal pressures, temperatures, or potential geologic hazards?** NO

**Describe:**

**Contingency Plans geohazards description:**

**Contingency Plans geohazards attachment:**

**Hydrogen Sulfide drilling operations plan required?** NO

**Hydrogen sulfide drilling operations plan:**

**Operator Name:** MACK ENERGY CORPORATION

**Well Name:** RED DEER FEDERAL COM

**Well Number:** 1H

## **Section 8 - Other Information**

**Proposed horizontal/directional/multi-lateral plan submission:**

red\_deer\_1\_directional\_plan\_20180809113445.pdf

red\_deer\_1\_drill\_pro\_20180820153829.pdf

red\_deer\_1\_h2s\_20180820153917.pdf

h2s\_contingency\_plan\_20180820154018.pdf

**Other proposed operations facets description:**

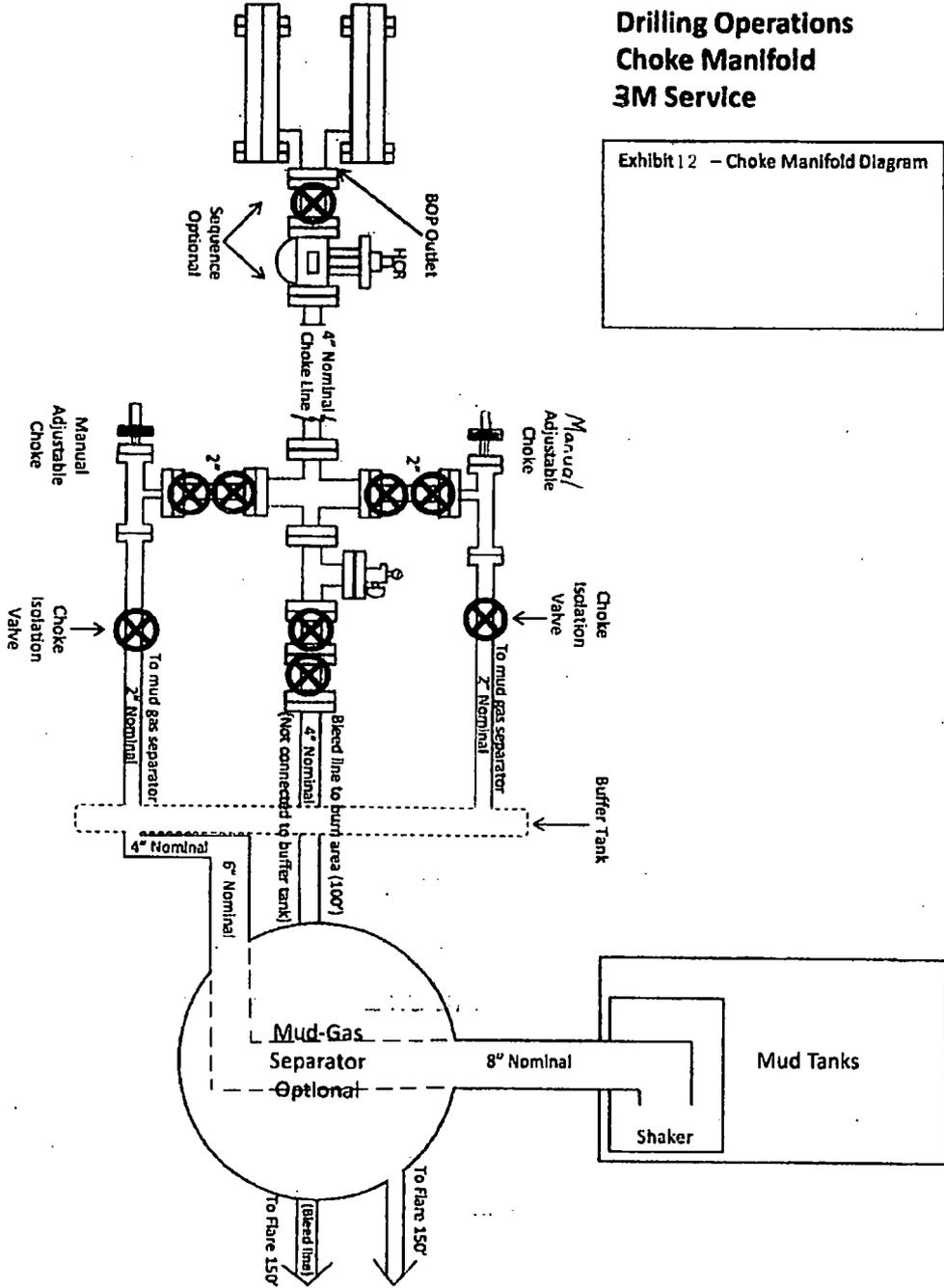
**Other proposed operations facets attachment:**

**Other Variance attachment:**

**Mack Energy Corporation**  
MANIFOLD SCHEMATIC  
Exhibit #12

**Drilling Operations  
Choke Manifold  
3M Service**

Exhibit 12 - Choke Manifold Diagram



# Mack Energy Corporation

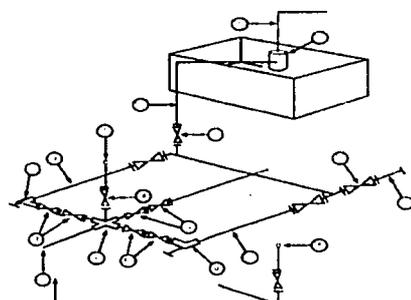
Exhibit #11

## MINIMUM CHOKE MANIFOLD

3,000, 5,000, and 10,000 PSI Working Pressure

CLASS 3M - 10M

3 MWP - 5 MWP - 10 MWP



Mud Pit

Reserve Pit

\* Location of separator optional

Below Substructure

### Minimum requirements

No.		3,000 MWP			5,000 MWP			10,000 MWP		
		I.D.	Nominal	Rating	I.D.	Nominal	Rating	I.D.	Nominal	Rating
1	Line from drilling Spool		3"	3,000		3"	5,000		3"	10,000
2	Cross 3" x 3" x 3" x 2"			3,000			5,000			10,000
2	Cross 3" x 3" x 3" x 2"									10,000
3	Valve Gate Plug	3 1/8"		3,000	3 1/8"		5,000	3 1/8"		10,000
4	Valve Gate Plug	1 13/16"		3,000	1 13/16"		5,000	1 13/16"		10,000
4a	Valves (1)	2 1/16"		3,000	2 1/16"		5,000	2 1/16"		10,000
5	Pressure Gauge			3,000			5,000			10,000
6	Valve Gate Plug	3 1/8"		3,000	3 1/8"		5,000	3 1/8"		10,000
7	Adjustable Choke (3)	2"		3,000	2"		5,000	2"		10,000
8	Adjustable Choke	1"		3,000	1"		5,000	2"		10,000
9	Line		3"	3,000		3"	5,000		3"	10,000
10	Line		2"	3,000		2"	5,000		2"	10,000
11	Valve Gate Plug	3 1/8"		3,000	3 1/8"		5,000	3 1/8"		10,000
12	Line		3"	1,000		3"	1,000		3"	2,000
13	Line		3"	1,000		3"	1,000		3"	2,000
14	Remote reading compound Standpipe pressure gauge			3,000			5,000			10,000
15	Gas Separator		2' x 5'			2' x 5'			2' x 5'	
16	Line		4"	1,000		4"	1,000		4"	2,000
17	Valve Gate Plug	3 1/8"		3,000	3 1/8"		5,000	3 1/8"		10,000

(1) Only one required in Class 3M

(2) Gate valves only shall be used for Class 10 M

(3) Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drilling

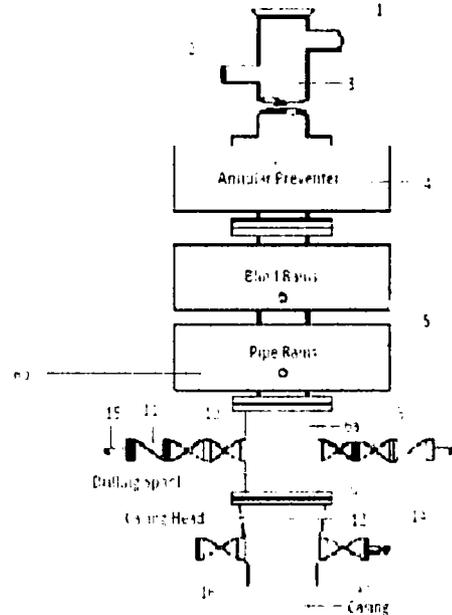
### EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTION

- All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating
- All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP
- All lines shall be securely anchored.
- Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available
- alternate with automatic chokes. a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
- Line from drilling spool to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 90 degree bends using bull plugged tees.

**Mack Energy Corporation**  
**Minimum Blowout Preventer Requirements**  
**5000 psi Working Pressure**  
**13 5/8 inch- 5 MWP**  
**11 Inch - 5 MWP**

**Stack Requirements**

NO.	Items	Min I.D.	Min Nominal
1	Flowline		2"
2	Fill up line		2"
3	Drilling nipple		
4	Annular preventer		
5	Two single or one dual hydraulically operated rams		
6a	Drilling spool with 2" min. kill line and 3" min. choke line outlets		2" Choke
6b	2" min. kill line and 3" min. choke line outlets in ram. (Alternate to 6a above)		
7	Valve Gate Plug	3 1/8	
8	Gate valve-power operated	3 1/8	
9	Line to choke manifold		3"
10	Valve Gate Plug	2 1/16	
11	Check valve	2 1/16	
12	Casing head		
13	Valve Gate Plug	1 13/16	
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"



**OPTIONAL**

16	Flanged Valve	1 13/16	
----	---------------	---------	--

**CONTRACTOR'S OPTION TO FURNISH** 10

- 1 All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 2000 psi minimum.
- 2 Automatic accumulator (80 gallons, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
- 3 BOP controls to be located near drillers' position.
- 4 Kelly equipped with Kelly cock.
- 5 Inside blowout preventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
- 6 Kelly saver-sub equipped with rubber casing protector at all times.
- 7 Plug type blowout preventer tester.
- 8 Extra set pipe rams to fit drill pipe in use on location at all times.
- 9 Type RX ring gaskets in place of Type R.

**MEC TO FURNISH**

- 1 Bradenhead or casing head and side valves.
- 2 Wear bushing, if required.

**GENERAL NOTES**

- 1 Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
- 2 All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through choke valves must be full opening and suitable for high pressure mud service.
- 3 Controls to be of standard design and each marked showing opening and closing position.
- 4 Chokes will be positioned so as not to hamper or delay changing of choke beans.

- Replaceable parts for adjustable choke, or bean sizes, retainers, and choke wrenches to be conveniently located for immediate use.
- 5 All valves to be equipped with hand-wheels or handles ready for immediate use.
  - 6 Choke lines must be suitably anchored.
  - 7 Handwheels and extensions to be connected and ready for use.
  - 8 Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency.
  - 9 All seamless steel control piping (2000 psi working pressure) to have flexible joints to avoid stress. Hoses will be permitted.
  - 10 Casinghead connections shall not be used except in case of emergency.
  - 11 Does not use kill line for routine fill up operations.

Casing Design Well: Red Deer Federal Com #1H

String Size & Function: 13 3/8 in surface x intermediate \_\_\_\_\_

Total Depth: 250 ft

Pressure Gradient for Calculations (While drilling)

Mud weight, collapse: 9.6 #/gal Safety Factor Collapse: 1.125

Mud weight, burst: 9.6 #/gal Safety Factor Burst: 1.25

Mud weight for joint strength: 9.6 #/gal Safety Factor Joint Strength: 1.8

BHP @ TD for: collapse: 124.8 psi Burst: 124.8 psi joint strength: 124.8 psi

Partially evacuated hole? Pressure gradient remaining: 10 #/gal

Max. Shut in surface pressure: 500 psi

1st segment	250 ft to	0 ft	Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.
13.375 inches	48 #/ft	J-55	ST&C	3,220	2,420	4,030
Collapse Resistance	Internal Yield	Joint Strength		Body Yield	Drift	
740	2,370 psi	433,000 #		744,000 #	12,559	

2nd segment	0 ft to	0 ft	Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.
inches	#/ft					
Collapse Resistance	Internal Yield	Joint Strength		Body Yield	Drift	
psi	psi	.000 #		.000 #		

3rd segment	0 ft to	0 ft	Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.
inches	#/ft					
Collapse Resistance	Internal Yield	Joint Strength		Body Yield	Drift	
psi	psi	.000 #		.000 #		

4th segment	0 ft to	0 ft	Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.
inches	#/ft					
Collapse Resistance	Internal Yield	Joint Strength		Body Yield	Drift	
psi	psi	.000 #		.000 #		

5th segment	0 ft to	0 ft	Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.
inches	#/ft					
Collapse Resistance	Internal Yield	Joint Strength		Body Yield	Drift	
psi	psi	.000 #		.000 #		

6th segment	0 ft to	0 ft	Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.
inches	#/ft					
Collapse Resistance	Internal Yield	Joint Strength		Body Yield	Drift	
psi	psi	.000 #		.000 #		

Select	1st segment bottom		250	S.F.	Actual	Desire
				collapse	5.929487	>= 1.125
				burst-b	4.691211	>= 1.25
				burst-l	4.74	
	Top of segment 1 (ft)			S.F.	Actual	Desire
Select	2nd segment from bottom		0	collapse	#DIV/0!	>= 1.125
				burst-b	0	>= 1.25
				burst-l	0	
				jnt strngth	42.29573	>= 1.8

Casing Design Well: Red Deer Federal Com #1H

String Size & Function: 9 5/8 in surface intermediate x

Total Depth: 1200 ft TVD: 1200 ft

---

Pressure Gradient for Calculations (While drilling)

Mud weight, collapse: 10 #/gal Safety Factor Collapse: 1.125

Mud weight, burst: 10 #/gal Safety Factor Burst: 1.25

Mud weight for joint strength: 10 #/gal Safety Factor Joint Strength 1.8

BHP @ TD for: collapse: 624 psi Burst: 624 psi joint strength: 624 psi

Partially evacuated hole? Pressure gradient remaining: 10 #/gal

Max. Shut in surface pressure: 500 psi

1st segment	1200 ft to	0 ft	Make up Torque ft-lbs			Total ft =	1200
O D	Weight	Grade	Threads	opt.	min.	mx.	
9.625 inches	36 #/ft	J-55	ST&C		3,940	2,960	4,930
Collapse Resistance	Internal Yield	Joint Strength	Body Yield		Drift		
2,020 psi	3,520 psi	394,000 #	564,000 #		8.765		

2nd segment	ft to	ft	Make up Torque ft-lbs			Total ft =	0
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
inches	#/ft						
Collapse Resistance	Internal Yield	Joint Strength	Body Yield		Drift		
psi	psi	.000 #	.000 #				

3rd segment	0 ft to	0 ft	Make up Torque ft-lbs			Total ft =	0
O D	Weight	Grade	Threads	opt.	min.	mx.	
inches	#/ft						
Collapse Resistance	Internal Yield	Joint Strength	Body Yield		Drift		
psi	psi	.000 #	.000 #				

4th segment	0 ft to	0 ft	Make up Torque ft-lbs			Total ft =	0
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
inches	#/ft						
Collapse Resistance	Internal Yield	Joint Strength	Body Yield		Drift		
psi	psi	.000 #	.000 #				

5th segment	0 ft to	0 ft	Make up Torque ft-lbs			Total ft =	0
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
inches	#/ft						
Collapse Resistance	Internal Yield	Joint Strength	Body Yield		Drift		
psi	psi	.000 #	.000 #				

6th segment	0 ft to	0 ft	Make up Torque ft-lbs			Total ft =	0
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
inches	#/ft						
Collapse Resistance	Internal Yield	Joint Strength	Body Yield		Drift		
psi	psi	.000 #	.000 #				

Select	1st segment bottom	1200	S.F.	Actual	Desire
			collapse	3.237179	>= 1.125
			burst-b	7.04	>= 1.25
			burst-t	7.04	
	1200 ft to 0 ft				
	9.625 0 J-55 ST&C				
	Top of segment 1 (ft)	0	S.F.	Actual	Desire
Select	2nd segment from bottom		collapse	#DIV/0'	>= 1.125
			burst-b	0	>= 1.25
			burst-t	0	
	0 ft to 0 ft		jnt strngth	10.76785	>= 1.8
	0 0 0 0				

Casing Design Well: Red DeerFederal Com #1H

String Size & Function: 5 1/2" x 7" in Production x

Total Depth: 8501 ft TVD: 2796 ft

Pressure Gradient for Calculations (While drilling)

Mud weight, collapse: 10.3 #/gal Safety Factor Collapse: 1.125

Mud weight, burst: 10.3 #/gal Safety Factor Burst: 1.25

Mud weight for joint strength: 10.3 #/gal Safety Factor Joint Strength 1.8

BHP @ TD for: collapse: 1497.538 psi Burst: 1497.538 psi joint strength: 1497.538 psi

Partially evacuated hole? Pressure gradient remaining: 10 #/gal

Max. Shut in surface pressure: 3000 psi

1st segment	8501 ft to	3500 ft	Make up Torque ft-lbs				Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
5.5 inches	17 #/ft	HCP-110	Buttress	4,620	3,470	5,780	
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift			
8,580 psi	10,640 psi-lrcr	568 .000 #	546 .000 #	4,767			

2nd segment	3500 ft to	1800 ft	Make up Torque ft-lbs				Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
7 inches	26 #/ft	HCP-110	Buttress	6,930	5,200	8,660	
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift			
7,800 psi	9,950 psi-lrcr	853 .000 #	830 .000 #	6,151			

3rd segment	1800 ft to	0 ft	Make up Torque ft-lbs				Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
7 inches	25 #/ft	HCP-110	LT&C	6930	5200	8660	
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift			
7,800 psi	9,950 psi	693 .000 #	830 .000 #	6,151			

4th segment	0 ft to	0 ft	Make up Torque ft-lbs				Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
inches	#/ft						
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift			
psi	psi	.000 #	.000 #				

5th segment	0 ft to	0 ft	Make up Torque ft-lbs				Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
inches	#/ft						
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift			
psi	psi	.000 #	.000 #				

6th segment	0 ft to	0 ft	Make up Torque ft-lbs				Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
inches	#/ft						
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift			
psi	psi	.000 #	.000 #				

Select	1st segment bottom	8025	S.F.	Actual	Desire
			collapse	5.729405	>= 1.125
	8501 ft to 3700 ft		burst-b	3.710699	>= 1.25
	5.5 0 HCP-110 Buttress		burst-l	3.616243	
	Top of segment 1 (ft)	3700	S.F. <td>Actual <td>Desire</td> </td>	Actual <td>Desire</td>	Desire
Select	2nd segment from bottom		collapse	3.838591	>= 1.125
			burst-b	3.381731	>= 1.25
	3700 ft to 2400 ft		burst-l	3.358582	
	7 26 HCP-110 Buttress		jnt strength	8.26122	>= 1.8

Casing Design Well: Red Deer Federal Com #1H

String Size & Function: 5 1/2" x 7" in Production: x

Total Depth: 8501 ft TVD: 2796 ft

Pressure Gradient for Calculations (While drilling)

Mud weight, collapse: 10.3 #/gal Safety Factor Collapse: 1.125

Mud weight, burst: 10.3 #/gal Safety Factor Burst: 1.25

Mud weight for joint strength: 10.3 #/gal Safety Factor Joint Strength 1.8

BHP @ TD for: collapse: 1497.538 psi Burst: 1497.538 psi joint strength: 1497.538 psi

Partially evacuated hole? Pressure gradient remaining: 10 #/gal

Max. Shut in surface pressure: 3000 psi

1st segment	8501 ft to 3500 ft		Make up Torque ft-lbs				Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
5.5 inches	17 #/ft	HCP-110	Buttress		4,620	3,470	5,780
Collapse Resistance	Internal Yield	Joint Strength			Body Yield		Drift
8,580 psi	10,640 psi-trcr	568 .000 #			546 .000 #		4,767

2nd segment	3500 ft to 1800 ft		Make up Torque ft-lbs				Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
7 inches	26 #/ft	HCP-110	Buttress		6,930	5,200	8,660
Collapse Resistance	Internal Yield	Joint Strength			Body Yield		Drift
7,800 psi	9,950 psi-trcr	853 .000 #			830 .000 #		6,151

3rd segment	1800 ft to 0 ft		Make up Torque ft-lbs				Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
7 inches	26 #/ft	HCP-110	LT&C		6930	5200	8660
Collapse Resistance	Internal Yield	Joint Strength			Body Yield		Drift
7,800 psi	9,950 psi	693 .000 #			830 .000 #		6,151

4th segment	0 ft to 0 ft		Make up Torque ft-lbs				Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
inches	#/ft						
Collapse Resistance	Internal Yield	Joint Strength			Body Yield		Drift
psi	psi	.000 #			.000 #		

5th segment	0 ft to 0 ft		Make up Torque ft-lbs				Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
inches	#/ft						
Collapse Resistance	Internal Yield	Joint Strength			Body Yield		Drift
psi	psi	.000 #			.000 #		

6th segment	0 ft to 0 ft		Make up Torque ft-lbs				Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
inches	#/ft						
Collapse Resistance	Internal Yield	Joint Strength			Body Yield		Drift
psi	psi	.000 #			.000 #		

Select	1st segment bottom		8025	S.F.	Actual	Desire
				collapse	5 729405	>= 1.125
	8501 ft to 3700 ft			burst-b	3 710699	>= 1.25
	5.5 0 HCP-110 Buttress			burst-l	3 616243	
	Top of segment 1 (ft)		3700	S.F.	Actual	Desire
Select	2nd segment from bottom			collapse	3 838591	>= 1.125
				burst-b	3 381731	>= 1.25
	3700 ft to 2400 ft			burst-l	3 358582	
	7 26 HCP-110 Buttress			jnt strngth	8 26122	>= 1.8

# Red Deer Federal Com 1H, Plan 1

<b>Operator</b> Mack Energy Corp	<b>Units</b> feet, %/100ft	14:58 Wednesday, August 08, 2018 Page 1 of 4
<b>Field</b> Round Tank	<b>County</b> Chaves	<b>Vertical Section Azimuth</b> 358.54
<b>Well Name</b> Red Deer Federal Com 1H	<b>State</b> New Mexico	<b>Survey Calculation Method</b> Minimum Curvature
<b>Plan 1</b>	<b>Country</b> USA	<b>Database Access</b>

<b>Location</b> SL: 810 FNL & 1115 FWL Sec 35-T15S-R28E BHL: 10 FNL & 965 FWL Sec 26-T15S-R28E	<b>Map Zone</b> UTM	<b>Lat Long Ref</b>
<b>Site</b>	<b>Surface X</b> 1914154.8	<b>Surface Long</b>
<b>Slot Name</b>	<b>Surface Y</b> 11971602	<b>Surface Lat</b>
<b>Well Number</b>	<b>Surface Z</b> 3604.8	<b>Global Z Ref</b> Mean Sea Level
<b>Project</b>	<b>Ground Level</b> 3587.3	<b>Local North Ref</b> Grid

**DIRECTIONAL WELL PLAN**

MD*	INC*	AZI*	TVD*	N*	E*	DLS*	V. S.*	MapE*	MapN*	SysTVD*
ft	deg	deg	ft	ft	ft	%/100ft	ft	ft	ft	ft
*** TIE (at MD = 1838.00)										
1838.00	0.00	0.0	1838.00	0.00	0.00		0.00	1914154.80	11971602.00	1766.80
1850.00	0.00	0.0	1850.00	0.00	0.00	0.00	0.00	1914154.80	11971602.00	1754.80
1900.00	0.00	0.0	1900.00	0.00	0.00	0.00	0.00	1914154.80	11971602.00	1704.80
*** KOP 8 DEGREE (at MD = 1938.00)										
1938.00	0.00	0.0	1938.00	0.00	0.00	0.00	0.00	1914154.80	11971602.00	1666.80
1950.00	0.96	358.5	1950.00	0.10	0.00	8.00	0.10	1914154.80	11971602.10	1654.80
2000.00	4.96	358.5	1999.92	2.68	-0.07	8.00	2.68	1914154.73	11971604.68	1604.88
2050.00	8.96	358.5	2049.54	8.74	-0.22	8.00	8.74	1914154.58	11971610.74	1555.26
2100.00	12.96	358.5	2098.62	18.24	-0.46	8.00	18.24	1914154.34	11971620.24	1506.18
2150.00	16.96	358.5	2146.92	31.14	-0.79	8.00	31.15	1914154.01	11971633.14	1457.88
2200.00	20.96	358.5	2194.20	47.38	-1.21	8.00	47.39	1914153.59	11971649.38	1410.60
2250.00	24.96	358.5	2240.22	66.87	-1.70	8.00	66.89	1914153.10	11971668.87	1364.58
2300.00	28.96	358.5	2284.78	89.53	-2.28	8.00	89.55	1914152.52	11971691.53	1320.02
2350.00	32.96	358.5	2327.65	115.23	-2.94	8.00	115.27	1914151.86	11971717.23	1277.15
2400.00	36.96	358.5	2368.62	143.87	-3.67	8.00	143.92	1914151.13	11971745.87	1236.18
2450.00	40.96	358.5	2407.49	175.29	-4.47	8.00	175.35	1914150.33	11971777.29	1197.31
2500.00	44.96	358.5	2444.07	209.35	-5.34	8.00	209.42	1914149.46	11971811.35	1160.73
2550.00	48.96	358.5	2478.19	245.87	-6.27	8.00	245.95	1914148.53	11971847.87	1126.61
2600.00	52.96	358.5	2509.68	284.69	-7.26	8.00	284.78	1914147.54	11971886.69	1095.12
*** 55 DEGREE TAN (at MD = 2625.50)										
2625.50	55.00	358.5	2524.67	305.30	-7.78	8.00	305.40	1914147.02	11971907.30	1080.13
2650.00	55.00	358.5	2538.73	325.37	-8.29	0.00	325.47	1914146.51	11971927.37	1066.07
2700.00	55.00	358.5	2567.41	366.31	-9.34	0.00	366.43	1914145.46	11971968.31	1037.39
2750.00	55.00	358.5	2596.08	407.26	-10.38	0.00	407.39	1914144.42	11972009.26	1008.72
2800.00	55.00	358.5	2624.76	448.20	-11.42	0.00	448.35	1914143.38	11972050.20	980.04
2850.00	55.00	358.5	2653.44	489.14	-12.47	0.00	489.30	1914142.33	11972091.14	951.36
2900.00	55.00	358.5	2682.12	530.09	-13.51	0.00	530.26	1914141.29	11972132.09	922.68
2950.00	55.00	358.5	2710.80	571.03	-14.55	0.00	571.22	1914140.25	11972173.03	894.00
3000.00	55.00	358.5	2739.48	611.98	-15.60	0.00	612.18	1914139.20	11972213.98	865.32
*** 12 DEGREE BUILD (at MD = 3025.50)										
3025.50	55.00	358.5	2754.11	632.86	-16.13	0.00	633.06	1914138.67	11972234.86	850.70
3050.00	57.94	358.5	2767.64	653.27	-16.65	12.00	653.49	1914138.15	11972255.27	837.16
3100.00	63.94	358.5	2791.91	696.94	-17.76	12.00	697.17	1914137.04	11972298.94	812.89
3150.00	69.94	358.5	2811.49	742.91	-18.93	12.00	743.15	1914135.87	11972344.91	793.31
3200.00	75.94	358.5	2826.15	790.68	-20.15	12.00	790.93	1914134.65	11972392.68	778.65
3250.00	81.94	358.5	2835.74	839.71	-21.40	12.00	839.98	1914133.40	11972441.71	769.06
3300.00	87.94	358.5	2840.15	889.47	-22.67	12.00	889.76	1914132.13	11972491.47	764.66

# Red Deer Federal Com 1H, Plan 1

<b>Operator</b> Mack Energy Corp	<b>Units</b> feet, %100ft	14:58 Wednesday, August 08, 2018 Page 2 of 4	
<b>Field</b> Round Tank	<b>County</b> Chaves	<b>Vertical Section Azimuth</b> 358.54	
<b>Well Name</b> Red Deer Federal Com 1H	<b>State</b> New Mexico	<b>Survey Calculation Method</b> Minimum Curvature	
<b>Plan</b> 1	<b>Country</b> USA	<b>Database</b> Access	
<b>Location</b> SL: 810 FNL & 1115 FWL Sec 35-T15S-R28E BHL: 10 FNL & 965 FWL Sec 26-T15S-R28E	<b>Map Zone</b> UTM	<b>Lat Long Ref</b>	
<b>Site</b>	<b>Surface X</b> 1914154.8	<b>Surface Long</b>	
<b>Slot Name</b>	<b>Surface Y</b> 11971602	<b>Surface Lat</b>	
<b>Well Number</b>	<b>Surface Z</b> 3604.8	<b>Global Z Ref</b> Mean Sea Level	
<b>Project</b>	<b>Ground Level</b> 3587.3	<b>Local North Ref</b> Grid	

## DIRECTIONAL WELL PLAN

MD*	INC*	AZI*	TVD*	N*	E*	DLS*	V. S.*	MapE*	MapN*	SystTVD*
"	deg	deg	"	"	"	%100"	"	"	"	"
*** LANDING POINT (at MD = 3321.33)										
3321.33	90.50	358.5	2840.44	910.80	-23.21	12.00	911.09	1914131.59	11972512.80	764.36
3350.00	90.50	358.5	2840.19	939.45	-23.94	0.00	939.76	1914130.86	11972541.45	764.61
3400.00	90.50	358.5	2839.75	989.44	-25.22	0.00	989.76	1914129.58	11972591.44	765.05
3450.00	90.50	358.5	2839.31	1039.42	-26.49	0.00	1039.76	1914128.31	11972641.42	765.49
3500.00	90.50	358.5	2838.88	1089.40	-27.77	0.00	1089.75	1914127.03	11972691.40	765.92
3550.00	90.50	358.5	2838.44	1139.38	-29.04	0.00	1139.75	1914125.76	11972741.38	766.36
3600.00	90.50	358.5	2838.00	1189.36	-30.31	0.00	1189.75	1914124.49	11972791.36	766.80
3650.00	90.50	358.5	2837.57	1239.35	-31.59	0.00	1239.75	1914123.21	11972841.35	767.23
3700.00	90.50	358.5	2837.13	1289.33	-32.86	0.00	1289.75	1914121.94	11972891.33	767.67
3750.00	90.50	358.5	2836.69	1339.31	-34.14	0.00	1339.74	1914120.66	11972941.31	768.11
3800.00	90.50	358.5	2836.26	1389.29	-35.41	0.00	1389.74	1914119.39	11972991.29	768.54
3850.00	90.50	358.5	2835.82	1439.27	-36.68	0.00	1439.74	1914118.12	11973041.27	768.98
3900.00	90.50	358.5	2835.39	1489.25	-37.96	0.00	1489.74	1914116.84	11973091.25	769.41
3950.00	90.50	358.5	2834.95	1539.24	-39.23	0.00	1539.74	1914115.57	11973141.24	769.85
4000.00	90.50	358.5	2834.51	1589.22	-40.50	0.00	1589.73	1914114.30	11973191.22	770.29
4050.00	90.50	358.5	2834.08	1639.20	-41.78	0.00	1639.73	1914113.02	11973241.20	770.72
4100.00	90.50	358.5	2833.64	1689.18	-43.05	0.00	1689.73	1914111.75	11973291.18	771.16
4150.00	90.50	358.5	2833.20	1739.16	-44.33	0.00	1739.73	1914110.47	11973341.16	771.60
4200.00	90.50	358.5	2832.77	1789.15	-45.60	0.00	1789.73	1914109.20	11973391.15	772.03
4250.00	90.50	358.5	2832.33	1839.13	-46.87	0.00	1839.72	1914107.93	11973441.13	772.47
4300.00	90.50	358.5	2831.90	1889.11	-48.15	0.00	1889.72	1914106.65	11973491.11	772.91
4350.00	90.50	358.5	2831.46	1939.09	-49.42	0.00	1939.72	1914105.38	11973541.09	773.34
4400.00	90.50	358.5	2831.02	1989.07	-50.70	0.00	1989.72	1914104.10	11973591.07	773.78
4450.00	90.50	358.5	2830.59	2039.05	-51.97	0.00	2039.72	1914102.83	11973641.05	774.21
4500.00	90.50	358.5	2830.15	2089.04	-53.24	0.00	2089.72	1914101.56	11973691.04	774.65
4550.00	90.50	358.5	2829.71	2139.02	-54.52	0.00	2139.71	1914100.28	11973741.02	775.09
4600.00	90.50	358.5	2829.28	2189.00	-55.79	0.00	2189.71	1914099.01	11973791.00	775.52
4650.00	90.50	358.5	2828.84	2238.98	-57.07	0.00	2239.71	1914097.73	11973840.98	775.96
4700.00	90.50	358.5	2828.40	2288.96	-58.34	0.00	2289.71	1914096.46	11973890.96	776.40
4750.00	90.50	358.5	2827.97	2338.95	-59.61	0.00	2339.71	1914095.19	11973940.95	776.83
4800.00	90.50	358.5	2827.53	2388.93	-60.89	0.00	2389.70	1914093.91	11973990.93	777.27
4850.00	90.50	358.5	2827.10	2438.91	-62.16	0.00	2439.70	1914092.64	11974040.91	777.70
4900.00	90.50	358.5	2826.66	2488.89	-63.44	0.00	2489.70	1914091.36	11974090.89	778.14
4950.00	90.50	358.5	2826.22	2538.87	-64.71	0.00	2539.70	1914090.09	11974140.87	778.58
5000.00	90.50	358.5	2825.79	2588.86	-65.98	0.00	2589.70	1914088.82	11974190.86	779.01
5050.00	90.50	358.5	2825.35	2638.84	-67.26	0.00	2639.69	1914087.54	11974240.84	779.45

# Red Deer Federal Com 1H, Plan 1

<b>Operator</b> Mack Energy Corp	<b>Units</b> feet, %/100ft	14:58 Wednesday, August 08, 2018 Page 3 of 4
<b>Field</b> Round Tank	<b>County</b> Chaves	<b>Vertical Section Azimuth</b> 358.54
<b>Well Name</b> Red Deer Federal Com 1H	<b>State</b> New Mexico	<b>Survey Calculation Method</b> Minimum Curvature
<b>Plan</b> 1	<b>Country</b> USA	<b>Database Access</b>
<b>Location</b> SL: 810 FNL & 1115 FWL Sec 35-T15S-R28E BHL: 10 FNL & 965 FWL Sec 26-T15S-R28E		<b>Map Zone</b> UTM
<b>Site</b>		<b>Lat Long Ref</b>
<b>Slot Name</b>	<b>UWI</b>	<b>Surface X</b> 1914154.8
<b>Well Number</b>	<b>API</b>	<b>Surface Y</b> 11971602
<b>Project</b>	<b>MD/TVD Ref</b> KB	<b>Surface Z</b> 3604.8
		<b>Ground Level</b> 3587.3
		<b>Local North Ref</b> Grid

## DIRECTIONAL WELL PLAN

MD*	INC*	AZI*	TVD*	N*	E*	DLS*	V. S.*	MapE*	MapN*	SystTVD*
"	deg	deg	"	"	"	%/100ft	"	"	"	"
5100.00	90.50	358.5	2824.91	2688.82	-68.53	0.00	2689.69	1914086.27	11974290.82	779.89
5150.00	90.50	358.5	2824.48	2738.80	-69.80	0.00	2739.69	1914085.00	11974340.80	780.32
5200.00	90.50	358.5	2824.04	2788.78	-71.08	0.00	2789.69	1914083.72	11974390.78	780.76
5250.00	90.50	358.5	2823.60	2838.76	-72.35	0.00	2839.69	1914082.45	11974440.76	781.20
5300.00	90.50	358.5	2823.17	2888.75	-73.63	0.00	2889.68	1914081.17	11974490.75	781.63
5350.00	90.50	358.5	2822.73	2938.73	-74.90	0.00	2939.68	1914079.90	11974540.73	782.07
5400.00	90.50	358.5	2822.30	2988.71	-76.17	0.00	2989.68	1914078.63	11974590.71	782.50
5450.00	90.50	358.5	2821.86	3038.69	-77.45	0.00	3039.68	1914077.35	11974640.69	782.94
5500.00	90.50	358.5	2821.42	3088.67	-78.72	0.00	3089.68	1914076.08	11974690.67	783.38
5550.00	90.50	358.5	2820.99	3138.66	-80.00	0.00	3139.68	1914074.80	11974740.66	783.81
5600.00	90.50	358.5	2820.55	3188.64	-81.27	0.00	3189.67	1914073.53	11974790.64	784.25
5650.00	90.50	358.5	2820.11	3238.62	-82.54	0.00	3239.67	1914072.26	11974840.62	784.69
5700.00	90.50	358.5	2819.68	3288.60	-83.82	0.00	3289.67	1914070.98	11974890.60	785.12
5750.00	90.50	358.5	2819.24	3338.58	-85.09	0.00	3339.67	1914069.71	11974940.58	785.56
5800.00	90.50	358.5	2818.81	3388.57	-86.37	0.00	3389.67	1914068.43	11974990.57	785.99
5850.00	90.50	358.5	2818.37	3438.55	-87.64	0.00	3439.66	1914067.16	11975040.55	786.43
5900.00	90.50	358.5	2817.93	3488.53	-88.91	0.00	3489.66	1914065.89	11975090.53	786.87
5950.00	90.50	358.5	2817.50	3538.51	-90.19	0.00	3539.66	1914064.61	11975140.51	787.30
6000.00	90.50	358.5	2817.06	3588.49	-91.46	0.00	3589.66	1914063.34	11975190.49	787.74
6050.00	90.50	358.5	2816.62	3638.47	-92.74	0.00	3639.66	1914062.07	11975240.47	788.18
6100.00	90.50	358.5	2816.19	3688.46	-94.01	0.00	3689.65	1914060.79	11975290.46	788.61
6150.00	90.50	358.5	2815.75	3738.44	-95.28	0.00	3739.65	1914059.52	11975340.44	789.05
6200.00	90.50	358.5	2815.31	3788.42	-96.56	0.00	3789.65	1914058.24	11975390.42	789.49
6250.00	90.50	358.5	2814.88	3838.40	-97.83	0.00	3839.65	1914056.97	11975440.40	789.92
6300.00	90.50	358.5	2814.44	3888.38	-99.10	0.00	3889.65	1914055.70	11975490.38	790.36
6350.00	90.50	358.5	2814.01	3938.37	-100.38	0.00	3939.64	1914054.42	11975540.37	790.79
6400.00	90.50	358.5	2813.57	3988.35	-101.65	0.00	3989.64	1914053.15	11975590.35	791.23
6450.00	90.50	358.5	2813.13	4038.33	-102.93	0.00	4039.64	1914051.87	11975640.33	791.67
6500.00	90.50	358.5	2812.70	4088.31	-104.20	0.00	4089.64	1914050.60	11975690.31	792.10
6550.00	90.50	358.5	2812.26	4138.29	-105.47	0.00	4139.64	1914049.33	11975740.29	792.54
6600.00	90.50	358.5	2811.82	4188.28	-106.75	0.00	4189.64	1914048.05	11975790.28	792.98
6650.00	90.50	358.5	2811.39	4238.26	-108.02	0.00	4239.63	1914046.78	11975840.26	793.41
6700.00	90.50	358.5	2810.95	4288.24	-109.30	0.00	4289.63	1914045.50	11975890.24	793.85
6750.00	90.50	358.5	2810.52	4338.22	-110.57	0.00	4339.63	1914044.23	11975940.22	794.29
6800.00	90.50	358.5	2810.08	4388.20	-111.84	0.00	4389.63	1914042.96	11975990.20	794.72
6850.00	90.50	358.5	2809.64	4438.18	-113.12	0.00	4439.63	1914041.68	11976040.18	795.16
6900.00	90.50	358.5	2809.21	4488.17	-114.39	0.00	4489.62	1914040.41	11976090.17	795.59

# Red Deer Federal Com 1H, Plan 1

<b>Operator</b> Mack Energy Corp	<b>Units</b> feet, %100ft	14:58 Wednesday, August 08, 2018 Page 4 of 4	
<b>Field</b> Round Tank	<b>County</b> Chaves	<b>Vertical Section Azimuth</b> 358.54	
<b>Well Name</b> Red Deer Federal Com 1H	<b>State</b> New Mexico	<b>Survey Calculation Method</b> Minimum Curvature	
<b>Plan</b> 1	<b>Country</b> USA	<b>Database</b> Access	
<b>Location</b> SL: 810 FNL & 1115 FWL Sec 35-T15S-R28E BHL: 10 FNL & 965 FWL Sec 26-T15S-R28E	<b>Map Zone</b> UTM	<b>Lat Long Ref</b>	
<b>Site</b>	<b>Surface X</b> 1914154.8	<b>Surface Long</b>	
<b>Slot Name</b>	<b>Surface Y</b> 11971602	<b>Surface Lat</b>	
<b>Well Number</b>	<b>Surface Z</b> 3604.8	<b>Global Z Ref</b> Mean Sea Level	
<b>Project</b>	<b>Ground Level</b> 3587.3	<b>Local North Ref</b> Grid	

**DIRECTIONAL WELL PLAN**

MD*	INC*	AZI*	TVD*	N*	E*	DLS*	V. S.*	MapE*	MapN*	SysTVD*
''	deg	deg	''	''	''	%100''	''	''	''	''
6950.00	90.50	358.5	2808.77	4538.15	-115.67	0.00	4539.62	1914039.13	11976140.15	796.03
7000.00	90.50	358.5	2808.33	4588.13	-116.94	0.00	4589.62	1914037.86	11976190.13	796.47
7050.00	90.50	358.5	2807.90	4638.11	-118.21	0.00	4639.62	1914036.59	11976240.11	796.90
7100.00	90.50	358.5	2807.46	4688.09	-119.49	0.00	4689.62	1914035.31	11976290.09	797.34
7150.00	90.50	358.5	2807.02	4738.08	-120.76	0.00	4739.61	1914034.04	11976340.08	797.78
7200.00	90.50	358.5	2806.59	4788.06	-122.03	0.00	4789.61	1914032.77	11976390.06	798.21
7250.00	90.50	358.5	2806.15	4838.04	-123.31	0.00	4839.61	1914031.49	11976440.04	798.65
7300.00	90.50	358.5	2805.72	4888.02	-124.58	0.00	4889.61	1914030.22	11976490.02	799.08
7350.00	90.50	358.5	2805.28	4938.00	-125.86	0.00	4939.61	1914028.94	11976540.00	799.52
7400.00	90.50	358.5	2804.84	4987.98	-127.13	0.00	4989.60	1914027.67	11976589.98	799.96
7450.00	90.50	358.5	2804.41	5037.97	-128.40	0.00	5039.60	1914026.40	11976639.97	800.39
7500.00	90.50	358.5	2803.97	5087.95	-129.68	0.00	5089.60	1914025.12	11976689.95	800.83
7550.00	90.50	358.5	2803.53	5137.93	-130.95	0.00	5139.60	1914023.85	11976739.93	801.27
7600.00	90.50	358.5	2803.10	5187.91	-132.23	0.00	5189.60	1914022.57	11976789.91	801.70
7650.00	90.50	358.5	2802.66	5237.89	-133.50	0.00	5239.60	1914021.30	11976839.89	802.14
7700.00	90.50	358.5	2802.22	5287.88	-134.77	0.00	5289.59	1914020.03	11976889.88	802.58
7750.00	90.50	358.5	2801.79	5337.86	-136.05	0.00	5339.59	1914018.75	11976939.86	803.01
7800.00	90.50	358.5	2801.35	5387.84	-137.32	0.00	5389.59	1914017.48	11976989.84	803.45
7850.00	90.50	358.5	2800.92	5437.82	-138.60	0.00	5439.59	1914016.20	11977039.82	803.88
7900.00	90.50	358.5	2800.48	5487.80	-139.87	0.00	5489.59	1914014.93	11977089.80	804.32
7950.00	90.50	358.5	2800.04	5537.79	-141.14	0.00	5539.58	1914013.66	11977139.79	804.76
8000.00	90.50	358.5	2799.61	5587.77	-142.42	0.00	5589.58	1914012.38	11977189.77	805.19
8050.00	90.50	358.5	2799.17	5637.75	-143.69	0.00	5639.58	1914011.11	11977239.75	805.63
8100.00	90.50	358.5	2798.73	5687.73	-144.97	0.00	5689.58	1914009.84	11977289.73	806.07
8150.00	90.50	358.5	2798.30	5737.71	-146.24	0.00	5739.58	1914008.56	11977339.71	806.50
8200.00	90.50	358.5	2797.86	5787.69	-147.51	0.00	5789.57	1914007.29	11977389.69	806.94
8250.00	90.50	358.5	2797.43	5837.68	-148.79	0.00	5839.57	1914006.01	11977439.68	807.37
8300.00	90.50	358.5	2796.99	5887.66	-150.06	0.00	5889.57	1914004.74	11977489.66	807.81
8350.00	90.50	358.5	2796.55	5937.64	-151.33	0.00	5939.57	1914003.47	11977539.64	808.25
8400.00	90.50	358.5	2796.12	5987.62	-152.61	0.00	5989.57	1914002.19	11977589.62	808.68
8450.00	90.50	358.5	2795.68	6037.60	-153.88	0.00	6039.56	1914000.92	11977639.60	809.12
8500.00	90.50	358.5	2795.24	6087.59	-155.16	0.00	6089.56	1913999.64	11977689.59	809.56
*** TD (at MD = 8500.70)										
8500.70	90.50	358.5	2795.24	6088.29	-155.17	0.00	6090.27	1913999.63	11977690.29	809.56

Attached to Form 3160-3  
 Mack Energy Corporation  
 Red Deer Federal Com #111 NMNM-132939  
 SHL : 810 FNL & 1115 FWL, NWNW, Sec. 35 T15S R28E  
 BHL : 10 FNL & 965 FWL, NWNW, Sec. 26 T15S R28E  
 Chaves County, NM

## DRILLING PROGRAM

### 1. Geologic Name of Surface Formation

Quaternary

### 2. Estimated Tops of Important Geologic Markers:

Yates	510'
Seven Rivers	739'
Queen	1227'
Grayburg	1626'
San Andres	1948'

### 3. Estimated Depths of Anticipated Fresh Water, Oil and Gas:

Water Sand	150'	Fresh Water
Yates	510'	Oil/Gas
Seven Rivers	739'	Oil/Gas
Queen	1227'	Oil/Gas
Grayburg	1626'	Oil/Gas
San Andres	1948'	Oil/Gas

No other formations are expected to give up oil, gas or fresh water in measurable quantities. Setting 13 3/8" casing to 250' and circulating cement back to surface will protect the surface fresh water sand. Salt section and shallower zones above TD, which contain commercial quantities of oil and/or gas, will have cement circulated across them by cementing 5 1/2" production casing. sufficient cement will be pumped to circulate back to surface.

### 4. Casing Program:

Hole Size	Interval	OD Casing	Wt. Grade, Jt. cond. collapse/burst/tension
17 1/2"	0-250'	13 3/8"	48#, J-55, ST&C, New, 5.929487,4.691211,4.74
12 1/4"	0-1,200'	9 5/8"	36#, J-55, ST&C, New, 3.237179, 7.04, 7.04
8 3/4"	0-1,800'	7"	26#, HCP-110, LT&C, New, 5.844205,3.358582, 3.316667
8 3/4"	1,800-3,500'	7"	26#, HCP-110, Buttress, New, 3.828591,3.381731,3.358582
8 3/4"	3,500'-8,501'	5 1/2"	17#, HCP-110, Buttress, New, 5.729405,3.710699, 3.616243

### 5. Cement Program:

13 3/8" Surface Casing: 100sx RFC + 12% PF53 + 2% PF1 + 5pps PF42+, 125pps PF29, yld 1.61, wt 14.4 ppg, 7.357 gals/sx, Tail 200sx Class C + 1% PF 1, yld 1.34, wt 14.8 ppg, 6.323 gals/sx, excess 100%.

Attached to Form 3160-3  
Mack Energy Corporation  
Red Deer Federal Com #1H NMNM-132939  
SHL : 810 FNL & 1115 FWL, NWNW, Sec. 35 T15S R28E  
BHL : 10 FNL & 965 FWL, NWNW, Sec. 26 T15S R28E  
Chaves County, NM

---

9 5/8" Intermediate Casing: 560sx Class C + 1% PF 1, yld 1.34, wt 14.8 ppg, 6.323gals/sx, excess 100%.

7 & 5 1/2" Production Casing: Lead 300sx Class C 4% PF 20+4 pps PF45 +125pps PF-29, yld 1.84, wt 13.2 ppg, 9.914gals/sx, excess 35%. Tail 1410sx, PVL + 1.3% (BWOW) PF44 + 5% PF174 + .5% PF606 + .1% PF153 +.4% PF44, yield 1.48, wt 13.0, 7.577gals/sx, 35% excess.

#### 6. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) shown in Exhibit #10 will consist of a double ram-type (3000 psi WP) minimum preventer. This unit will be hydraulically operated and the ram type preventer will be equipped with blind rams on top of 4 1/2" drill pipe rams on bottom. The 11" BOP will be nipped up on the 8 5/8" surface casing and tested by a 3<sup>rd</sup> party to 2000 psi used continuously until TD is reached. All BOP's and accessory equipment will be tested to 2000 psi before drilling out of intermediate casing. Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment (Exhibit #10) will include a Kelly cock and floor safety valve and choke lines and choke manifold (Exhibit #11) with a minimum 3000 psi WP rating

#### 7. Types and Characteristics of the Proposed Mud System:

The well will be drilled to TD with a combination of fresh and cut brine mud system. The applicable depths and properties of this system are as follows:

DEPTH	TYPE	WEIGHT	VISCOSITY	WATERLOSS
0-250'	Fresh Water	9.6	28	N.C
250'-1200'	Cut Brine	10	29	N.C.
1200'-TD'	Cut Brine	10	29	N.C.

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the well site at all times.

#### 8. Auxiliary Well Control and Monitoring Equipment:

- A. Kelly cock will be kept in the drill string at all times.
- B. A full opening drill pipe-stabbing valve with proper drill pipe connections will be on the rig floor at all times.

#### 9. Logging, Testing and Coring Program:

- A. The electric logging program will consist of GR-Dual Laterolog, Spectral Density, Dual Spaced Neutron, CSNG Log from T.D. to 8 5/8 casing shoe.
- B. Drill Stem test is not anticipated.
- C. No conventional coring is anticipated.

Attached to Form 3160-3  
Mack Energy Corporation  
Red Deer Federal Com #111 NMNM-132939  
SHL : 810 FNL & 1115 FWL, NWNW, Sec. 35 T15S R28E  
BHL : 10 FNL & 965 FWL, NWNW, Sec. 26 T15S R28E  
Chaves County, NM

---

D. Further testing procedures will be determined at TD.

**10. Abnormal Conditions, Pressures, Temperatures and Potential Hazards:**

No abnormal pressures or temperatures are anticipated. The estimated bottom hole at TD is 120 degrees and estimated maximum bottom hole pressure is 1404 psi. Low levels of Hydrogen sulfide have been monitors in producing wells in the area, so H2S may be present while drilling of the well; a plan is attached to the Drilling program. No major loss of circulation zones has been reported in offsetting wells.

**11. Anticipated Starting Date and Duration of Operations:**

Road and location work will not begin until approval has been received from the BLM. The anticipated spud date is December 1, 2018. Once commenced, the drilling operation should be finished in approximately 20 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made to install permanent facilities.

Attached to Form 3160-3  
Mack Energy Corporation  
Red Deer Federal Com #111 NMNM-132939  
SHL : 810 FNL & 1115 FWL, NWNW, Sec. 35 T15S R28E  
BHL : 10 FNL & 965 FWL, NWNW, Sec. 26 T15S R28E  
Chaves County, NM

---

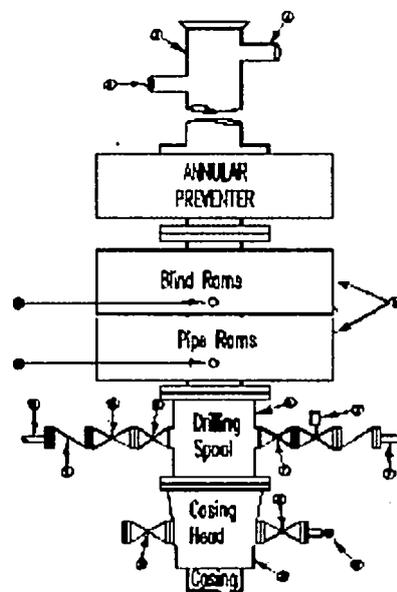
**Attachment to Exhibit #10**  
**NOTES REGARDING THE BLOWOUT PREVENTERS**  
Red Deer Federal Com #111  
Chaves County, New Mexico

1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
2. Wear ring to be properly installed in head.
3. Blow out preventer and all fittings must be in good condition, 2000 psi WP minimum.
4. All fittings to be flanged.
5. Safety valve must be available on rig floor at all times with proper connections, valve to be full 2000 psi WP minimum.
6. All choke and fill lines to be securely anchored especially ends of choke lines.
7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
8. Kelly cock on Kelly.
9. Extension wrenches and hands wheels to be properly installed.
10. Blow out preventer control to be located as close to driller's position as feasible.
11. Blow out preventer closing equipment to include minimum 40-gallon accumulator, two independent sources of pump power on each closing unit installation all API specifications.

**Mack Energy Corporation**  
**Minimum Blowout Preventer Requirements**  
**3000 psi Working Pressure**  
**13 3/8 inch- 3 MWP**  
**11 Inch - 3 MWP**  
**EXHIBIT #10**

**Stack Requirements**

NO.	Items	Min ID	Min Nominal
1	Flowline		2"
2	Fill up line		2"
3	Drilling nipple		
4	Annular preventer		
5	Two single or one dual hydraulically operated rams		
6a	Drilling spool with 2" min. kill line and 3" min. choke line outlets		2" Choke
6b	2" min. kill line and 3" min. choke line outlets in ram. (Alternate to 6a above)		
7	Valve Gate Plug	3 1/8	
8	Gate valve-power operated	3 1/8	
9	Line to choke manifold		3"
10	Valve Gate Plug	2 1/16	
11	Check valve	2 1/16	
12	Casing head		
13	Valve Gate Plug	1 13/16	
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"



**OPTIONAL**

16	Flanged Valve	1 13/16	
----	---------------	---------	--

CONTRACTOR'S OPTION TO FURNISH  
 10 MF

- 1 All equipment and connections above bradenhead or casinghead Working pressure of preventers to be 2000 psi minimum
- 2 Automatic accumulator (80 gallons, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure
- 3 BOP controls, to be located near drillers' position.
- 4 Kelly equipped with Kelly cock
- 5 Inside blowout preventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used
- 6 Kelly saver-sub equipped with rubber casing protector at all times
- 7 Plug type blowout preventer tester
- 8 Extra set pipe rams to fit drill pipe in use on location at all times
- 9 Type RX ring gaskets in place of Type R

**MFC TO FURNISH**

- 1 Bradenhead or casing head and side valves
- 2 Wear bushing. If required

**GENERAL NOTES**

- 1 Deviations from this drawing may be made only with the express permission of MFC's Drilling Manager
- 2 All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through choke valves must be full opening and suitable for high pressure mud service
- 3 Controls to be of standard design and each marked, showing opening and closing position
- 4 Chokes will be positioned so as not to hamper or delay changing of choke beans

- 5 Replaceable parts for adjustable choke, or bean sizes, retainers, and choke wrenches to be conveniently located for immediate use
- 6 All valves to be equipped with hand-wheels or handles ready for immediate use
- 7 Choke lines must be suitably anchored
- 8 Handwheels and extensions to be connected and ready for use
- 9 Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency
- 10 All seamless steel control piping (2000 psi working pressure) to have flexible joints to avoid stress. Hoses will be permitted
- 11 Casinghead connections shall not be used except in case of emergency.
- 12 Does not use kill line for routine fill up operations

# Mack Energy Corporation

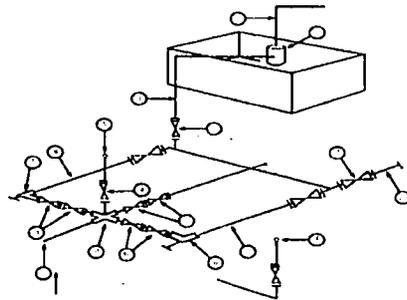
Exhibit #11

## MINIMUM CHOKE MANIFOLD

3,000, 5,000, and 10,000 PSI Working Pressure

(S1 will be used)

3 MWP - 5 MWP - 10 MWP



Mud Pit

Reserve Pit

\* Location of separator optional

Below Substructure

### Minimum requirements

No.		3,000 MWP			5,000 MWP			10,000 MWP		
		I.D.	Nominal	Rating	I.D.	Nominal	Rating	I.D.	Nominal	Rating
1	Line from drilling Spool		3"	3,000		3"	5,000		3"	10,000
2	Cross 3" x 3" x 3" x 2"			5,000			5,000			
2	Cross 3" x 3" x 3" x 2"									10,000
3	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000
4	Valve Gate Plug	1 13/16		3,000	1 13/16		5,000	1 13/16		10,000
4a	Valves (1)	2 1/16		3,000	2 1/16		5,000	2 1/16		10,000
5	Pressure Gauge			3,000			5,000			10,000
6	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000
7	Adjustable Choke (3)	2"		3,000	2"		5,000	2"		10,000
8	Adjustable Choke	1"		3,000	1"		5,000	2"		10,000
9	Line		3"	3,000		3"	5,000		3"	10,000
10	Line		2"	3,000		2"	5,000		2"	10,000
11	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000
12	Line		3"	1,000		3"	1,000		3"	2,000
13	Line		3"	1,000		3"	1,000		3"	2,000
14	Remote reading compound Standpipe pressure gauge			3,000			5,000			10,000
15	Gas Separator		2" x 5"			2" x 5"			2" x 5"	
16	Line		4"	1,000		4"	1,000		4"	2,000
17	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000

(1) Only one required in Class 3M

(2) Gate valves only shall be used for Class 10 M

(3) Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drilling

#### EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTION

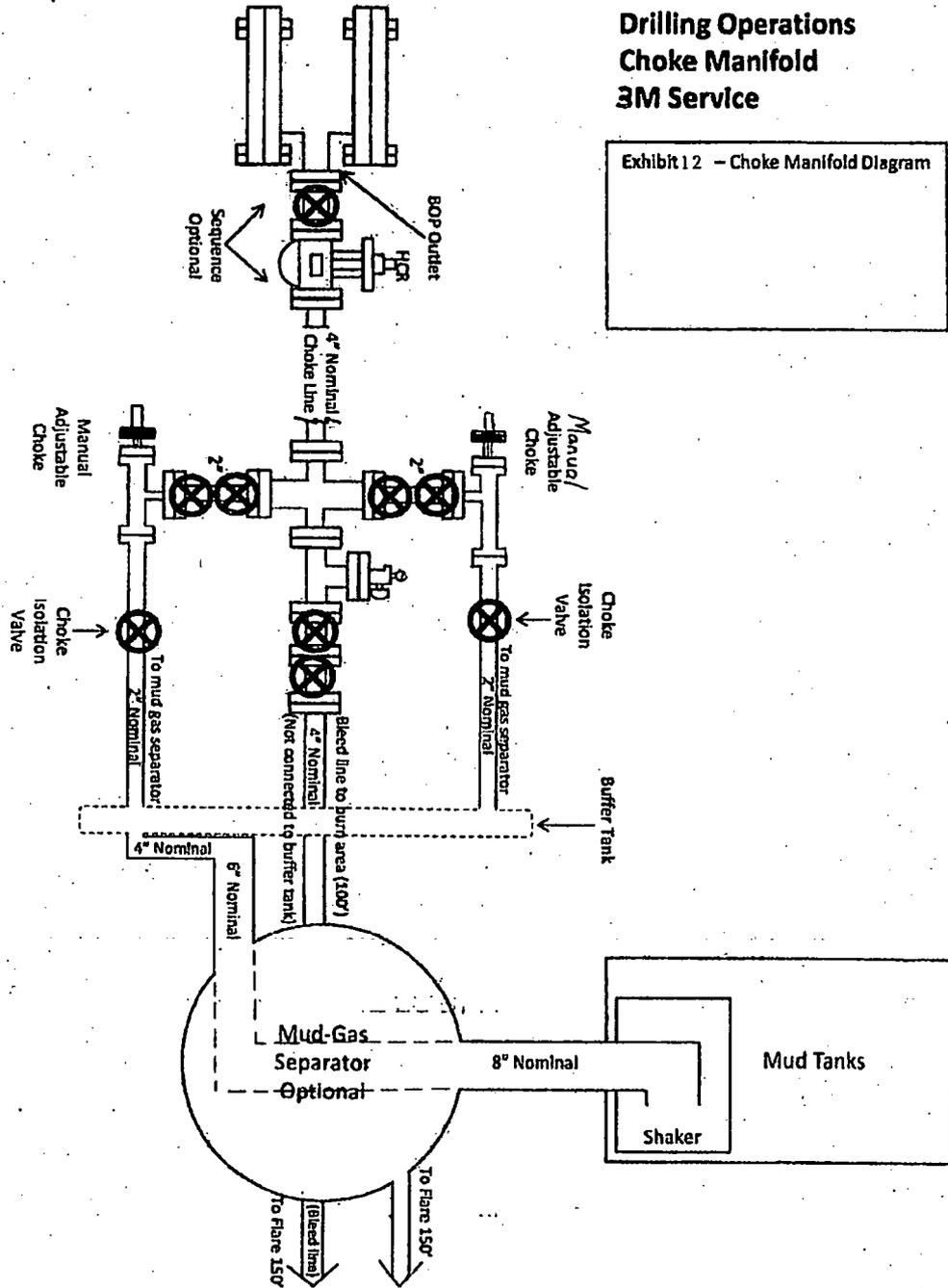
- All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating
- All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX Use only BX for 10 MWP
- All lines shall be securely anchored
- Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available
- alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
- Line from drilling spool to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 90 degree bends using bull plugged tees

# Mack Energy Corporation

MANIFOLD SCHEMATIC  
Exhibit # 12

## Drilling Operations Choke Manifold 3M Service

Exhibit 12 - Choke Manifold Diagram



**Mack Energy Corporation  
Onshore Order #6  
Hydrogen Sulfide Drilling Operation Plan**

**I. HYDROGEN SULFIDE TRAINING**

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H<sub>2</sub>S)
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H<sub>2</sub>S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H<sub>2</sub>S on metal components. If high tensile tubular are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H<sub>2</sub>S Drilling Operations Plan and Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H<sub>2</sub>S zone (within 3 days or 500 feet) and weekly H<sub>2</sub>S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H<sub>2</sub>S Drilling Operations Plan and the Public Protection Plan. The concentrations of H<sub>2</sub>S of wells in this area from surface to TD are low enough that a contingency plan is not required.

**II. H<sub>2</sub>S SAFETY EQUIPMENT AND SYSTEMS**

Note: All H<sub>2</sub>S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonable expected to contain H<sub>2</sub>S.

**1. Well Control Equipment:**

- A. Flare line.
- B. Choke manifold.
- C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
- D. Auxiliary equipment may include if applicable: annular preventer & rotating head.

**2. Protective equipment for essential personnel:**

- A. Mark II Survive air 30-minute units located in the doghouse and at briefing areas, as indicated on well site diagram.

**3. H<sub>2</sub>S detection and monitoring equipment:**

- A. 1 portable H<sub>2</sub>S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H<sub>2</sub>S levels of 20 PPM are reached.

**4. Visual warning systems:**

- A. Wind direction indicators as shown on well site diagram (Exhibit #8).
- B. Caution/Danger signs (Exhibit #7) shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used, when appropriate. See example attached.

**5. Mud program:**

- A. The mud program has been designed to minimize the volume of H<sub>2</sub>S circulated to surface. Proper mud weight, safe drilling practices and the use of H<sub>2</sub>S scavengers will minimize hazards when penetrating H<sub>2</sub>S bearing zones.

**6. Metallurgy:**

- A. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H<sub>2</sub>S service.
- B. All elastomers used for packing and seals shall be H<sub>2</sub>S trim.

**7. Communication:**

- A. Radio communications in company vehicles including cellular telephone and 2-way radio.
- B. Land line (telephone) communication at Office.

**8. Well testing:**

- A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity, which are necessary to safely and adequately conduct the test. The drill stem testing will be conducted during daylight hours and formation fluids will not be flowed to the surface. All drill-stem-testing operations conducted in an H<sub>2</sub>S environment will use the closed chamber method of testing.

Attached to Form 3160-3  
 Mack Energy Corporation  
 Red Deer Federal Com #111 NMNM-132939  
 SHL : 810 FNL & 1115 FWL, NWNW, Sec. 35 T15S R28E  
 BHL : 10 FNL & 965 FWL, NWNW, Sec. 26 T15S R28E  
 Chaves County, NM

**EXHIBIT #7**

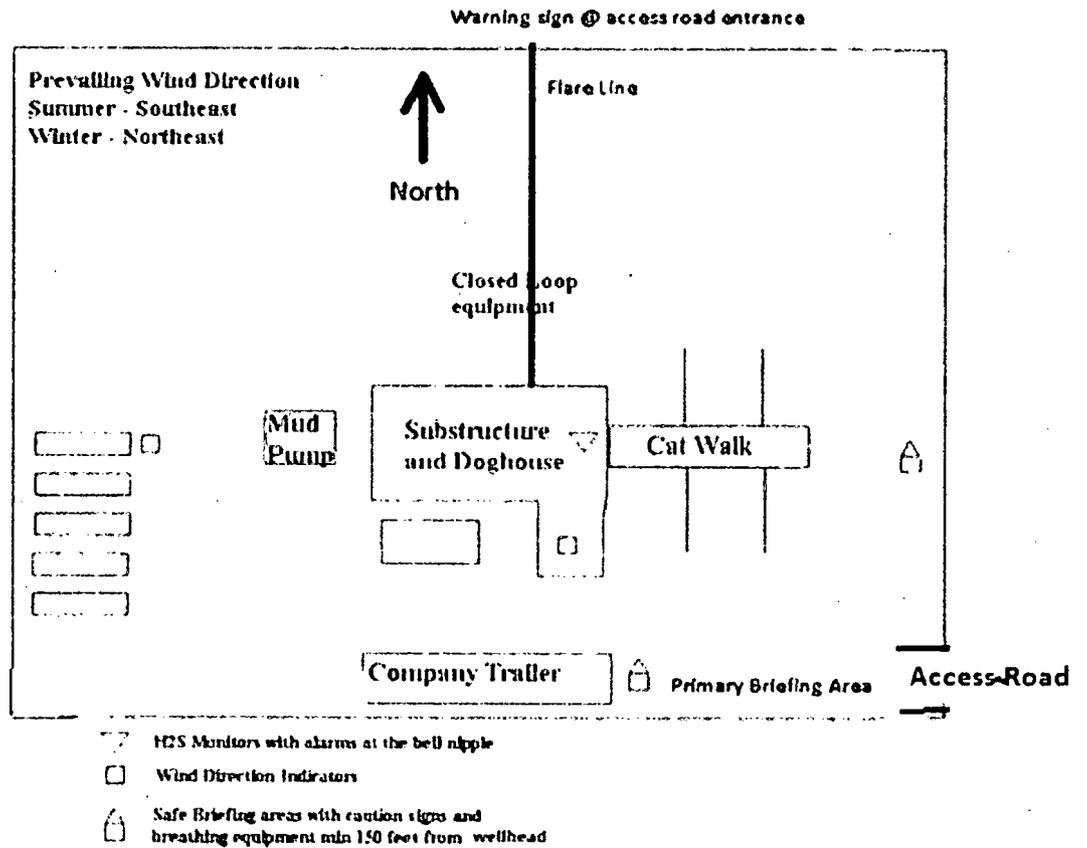
**WARNING**

**YOU ARE ENTERING AN H2S  
 AUTHORIZED PERSONNEL ONLY**

1. BEARDS OR CONTACT LENSES NOT ALLOWED
2. HARD HATS REQUIRED
3. SMOKING IN DESIGNATED AREAS ONLY
4. BE WIND CONSCIOUS AT ALL TIMES
5. CHECK WITH MACK ENERGY FOREMAN AT OFFICE

**MACK ENERGY CORPORATION**

**1-575-748-1288**

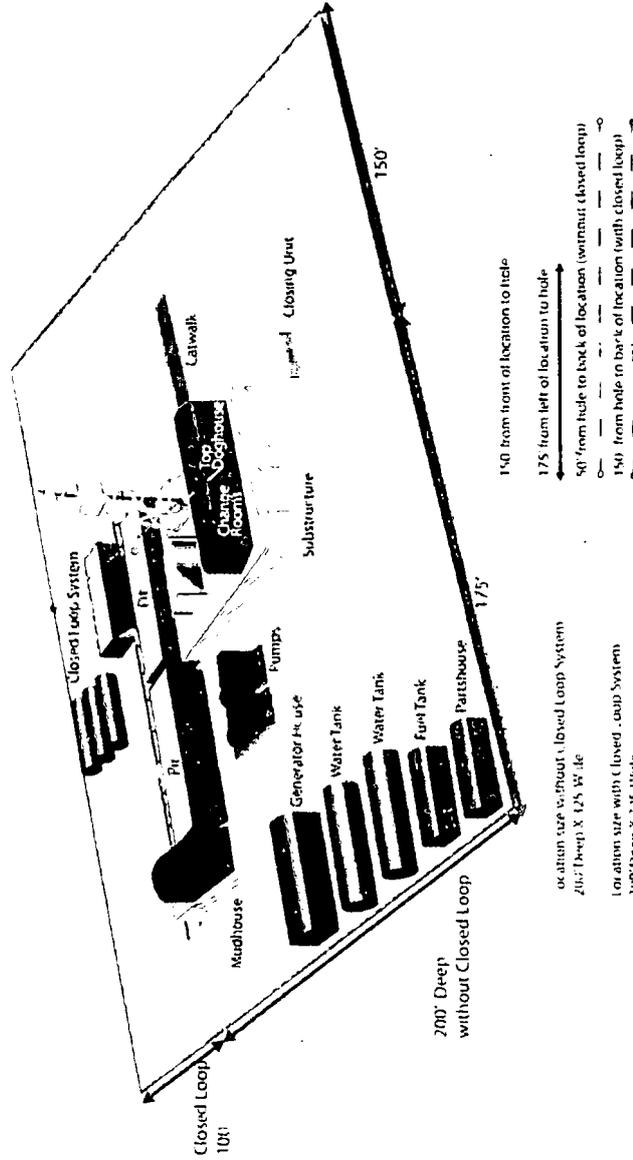


B. There will be no drill stem testing.

DRILLING LOCATION H2S SAFETY EQUIPMENT

Exhibit # 8

Location Layout



**Mack Energy Corporation Call List, Chaves County**

<b>Artesia (575)</b>	<b>Cellular</b>	<b>Office</b>
Jim Krogman.....	432-934-1596.....	748-1288
Emilio Martinez.....	432-934-7586.....	748-1288

**Agency Call List (575)**

**Roswell**

State Police.....	622-7200
City Police.....	624-6770
Sheriff's Office.....	624-7590
Ambulance.....	624-7590
Fire Department.....	624-7590
LEPC (Local Emergency Planning Committee).....	624-6770
NMOCD.....	748-1283
Bureau of Land Management.....	627-0272

**Emergency Services**

Boots & Coots IWC.....	1-800-256-9688 or (281)931-8884
Cudd pressure Control.....	(915)699-0139 or (915)563-3356
Halliburton.....	746-2757
Par Five.....	748-9539
Flight For Life-Lubbock, TX.....	(806)743-9911
Aerocare-Lubbock, TX.....	(806)747-8923
Med Flight Air Amb-Albuquerque, NM.....	(505)842-4433
Lifeguard Air Med Svc. Albuquerque, NM.....	(505)272-3115

# **Mack Energy Corporation**

Legal Description:

Mack Energy-San Andres MDP Area

Chaves Co. New Mexico

Various Sections

T-15-S, R-28-E and R-29-E

## **H<sub>2</sub>S**

# **"Contingency Plan"**

## Table of Contents

- I. H<sub>2</sub>S Contingency Plan
  - a. Scope
  - b. Objective
  - c. Discussion of Plan
  
- II. Emergency Procedures
  - a. Emergency Procedures
  - b. Emergency Reaction Steps
  - c. Simulated Blowout Control Drills
  
- III. Ignition Procedures
  - a. Responsibility
  - b. Instructions
  
- IV. Training Requirements
  
- V. Emergency Equipment
  
- VI. Check Lists
  - a. Status Check List
  - b. Procedural Check List
  
- VII. Evacuation Plan
  - a. General Plan
  - b. Emergency Phone Lists
  
- VIII. General information
  - a. Drilling/Re-entry Permits
  - b. H<sub>2</sub>S Permissible Limits
  - c. Toxicity Table
  - d. Physical Properties
  - e. Respirator Use
  - f. Emergency Rescue

## H2S CONTINGENCY PLAN SECTION

### Scope:

This contingency plan provides an organized plan of action for alerting and protecting the public within an area of exposure prior to an intentional release, or following the accidental release of a potentially hazardous volume of hydrogen sulfide. The plan establishes guidelines for all personnel whose work activity may involve exposure to Hydrogen Sulfide Gas (H<sub>2</sub>S).

### Objective:

Prevent any and all accidents, and prevent the uncontrolled release of H<sub>2</sub>S into the atmosphere.

Provide proper evacuation procedures to cope with emergencies.

Provide immediate and adequate medical attention should an injury occur.

### Discussion of Plan:

#### Suspected Problem Zones:

**Implementation:** This plan, with all details, is to be fully implemented 1000' before drilling into the first sour zone.

**Emergency Response Procedure:** This section outlines the conditions and denotes steps to be taken in the event of an emergency.

**Emergency Equipment and Procedure:** This section outlines the safety and emergency equipment that will be required for the drilling of this well.

**Training Provisions:** This section outlines the training provisions that must be adhered to 1000' before drilling into the first sour zone.

**Emergency call list:** Included are the telephone numbers of all persons that would need to be contacted, should an H<sub>2</sub>S emergency occur.

**Briefing:** This section deals with the briefing of all persons involved with the drilling of this well.

**Public Safety:** Public Safety Personnel will be made aware of the drilling of this well.

**Check Lists:** Status check lists and procedural check lists have been included to ensure adherence to the plan.

**General/Information:** A general information section has been included to supply support information.

## EMERGENCY PROCEDURES SECTION

- I. In the event of any evidence of H<sub>2</sub>S level above 10ppm, take the following steps immediately:
  - a. Secure breathing apparatus.
  - b. Order non-essential personnel out of the danger zone.
  - c. Take steps to determine if the H<sub>2</sub>S level can be corrected or suppressed, and if so, proceed with normal operations.
  
- II. If uncontrollable conditions occur, proceed with the following:
  - a. Take steps to protect and/or remove any public downwind of the rig, including partial evacuation or isolation. Notify public safety personnel and the New Mexico Oil Conservation Division or Bureau of Land Management, whichever is appropriate, of the situation.
  - b. Remove all personnel to the Safe Briefing Area.
  - c. Notify public safety personnel for help with maintaining roadblocks and implementing evacuation.
  - d. Determine and proceed with the best possible plan to regain control of the well. Maintain tight security and safety measures.
  
- III. Responsibility:
  - a. The Company Approved Supervisor shall be responsible for the total implementation of the plan.
  - b. The Company Approved Supervisor shall be in complete command during any emergency.
  - c. The Company Approved Supervisor shall designate a back-up Supervisor in the event that he/she is not available.

## EMERGENCY PROCEDURE IMPLEMENTATION

### I. Drilling or Tripping

#### *a. All Personnel*

- i. When alarm sounds, don escape unit and report to upwind Safe Briefing Area.
- ii. Check status of other personnel (buddy system).
- iii. Secure breathing apparatus.
- iv. Wait for orders from supervisor.

#### *b. Drilling Foreman*

- i. Report to the upwind Safe Briefing Area.
- ii. Don Breathing Apparatus and return to the point of release with the Tool Pusher or Driller (buddy system).
- iii. Determine the concentration of H<sub>2</sub>S.
- iv. Assess the situation and take appropriate control measures.

#### *c. Tool Pusher*

- i. Report to the upwind Safe Briefing Area.
- ii. Don Breathing Apparatus and return to the point of release with the Drilling Foreman or the Driller (buddy system).
- iii. Determine the concentration of H<sub>2</sub>S.
- iv. Assess the situation and take appropriate control measures.

#### *d. Driller*

- i. Check the status of other personnel (in a rescue attempt, always use the buddy system).
- ii. Assign the least essential person to notify the Drilling Foreman and Tool Pusher, in the event of their absence.
- iii. Assume the responsibility of the Drilling Foreman and the Tool Pusher until they arrive, in the event of their absence.

e. Derrick Man and Floor Hands

- i. Remain in the upwind Safe Briefing Area until otherwise instructed by a supervisor.

f. Mud Engineer

- i. Report to the upwind Safe Briefing Area.
- ii. When instructed, begin check of mud for pH level and H<sub>2</sub>S level.

g. Safety Personnel

- i. Don Breathing Apparatus.
- ii. Check status of personnel.
- iii. Wait for instructions from Drilling Foreman or Tool Pusher.

**II. Taking a Kick**

- a. All Personnel report to the upwind Safe Briefing Area.
- b. Follow standard BOP procedures.

**III. Open Hole Logging**

- a. All unnecessary personnel should leave the rig floor.
- b. Drilling Foreman and Safety Personnel should monitor the conditions and make necessary safety equipment recommendations.

**IV. Running Casing or Plugging**

- a. Follow "Drilling or Tripping" procedures.
- b. Assure that all personnel have access to protective equipment.

## SIMULATED BLOWOUT CONTROL DRILLS

All drills will be initiated by activating alarm devices (air horn). One long blast, on the air horn, for ACTUAL and SIMULATED Blowout Control Drills. This operation will be performed by the Drilling Foreman or Tool Pusher at least one time per week for each of the following conditions, with each crew:

- |          |                     |
|----------|---------------------|
| Drill #1 | Bottom Drilling     |
| Drill #2 | Tripping Drill Pipe |

In each of these drills, the initial reaction time to shutting in the well shall be timed as well as the total time for the crew to complete its entire pit drill assignment. The times must be recorded on the IADC Driller's Log as "Blowout Control Drill".

Drill No.:  
Reaction Time to Shut-In:        minutes,                    seconds.  
Total Time to Complete Assignment:        minutes,                    seconds.

### I. Drill Overviews

#### a. Drill No. 1-Bottom Drilling

- i. Sound the alarm immediately.
- ii. Stop the rotary and hoist Kelly joint above the rotary table.
- iii. Stop the circulatory pump.
- iv. Close the drill pipe rams.
- v. Record casing and drill pipe shut-in pressures and pit volume increases.

#### b. Drill No. 2-Tripping Drill Pipe

- i. Sound the alarm immediately.
- ii. Position the upper tool joint just above the rotary table and set the slips.
- iii. Install a full opening valve or inside blowout preventer tool in order to close the drill pipe.
- iv. Close the drill pipe rams.
- v. Record the shut-in annular pressure.

### II. Crew Assignments

a. Drill No. 1-Bottom Drilling

i. *Driller*

1. Stop the rotary and hoist Kelly joint above the rotary table.
2. Stop the circulatory pump.
3. Check Flow.
4. If flowing, sound the alarm immediately
5. Record the shut-in drill pipe pressure
6. Determine the mud weight increase needed or other courses of action.

ii. *Derrick man*

1. Open choke line valve at BOP.
2. Signal Floor Man #1 at accumulator that choke line is open.
3. Close choke and upstream valve after pipe tam have been closed.
4. Read the shut-in annular pressure and report readings to Driller.

iii. *Floor Man #1*

1. Close the pipe rams after receiving the signal from the Derrickman.
2. Report to Driller for further instructions.

iv. *Floor Man #2*

1. Notify the Tool Pusher and Operator representative of the H<sub>2</sub>S alarms.
2. Check for open fires and, if safe to do so, extinguish them.
3. Stop all welding operations.
4. Turn-off all non-explosions proof lights and instruments.
5. Report to Driller for further instructions.

v. *Tool Pusher*

1. Report to the rig floor.
2. Have a meeting with all crews.

3. Compile and summarize all information.
4. Calculate the proper kill weight.
5. Ensure that proper well procedures are put into action.

vi. *Operator Representative*

1. Notify the Drilling Superintendent.
2. Determine if an emergency exists and if so, activate the contingency plan.

b. Drill No. 2- Tripping Pipe

i. Driller

1. Sound the alarm immediately when mud volume increase has been detected.
2. Position the upper tool joint just above the rotary table and set slips.
3. Install a full opening valve or inside blowout preventer tool to close the drill pipe.
4. Check flow.
5. Record all data reported by the crew.
6. Determine the course of action.

ii. Derrick man

1. Come down out of derrick.
2. Notify Tool Pusher and Operator Representative.
3. Check for open fires and, if safe to do so, extinguish them.
4. Stop all welding operations.
5. Report to Driller for further instructions.

iii. Floor Man #1

1. Pick up full opening valve or inside blowout preventer tool and stab into tool joint above rotary table (with Floor Man #2).
2. Tighten valve with back-up tongs.

3. Close pipe rams after signal from Floor Man #2.
4. Read accumulator pressure and check for possible high pressure fluid leaks in valves or piping.
5. Report to Driller for further instructions.

iv. Floor Man #2

1. Pick-up full opening valve or inside blowout preventer tool and stab into tool joint above rotary table (with Floor Man #1).
2. Position back-up tongs on drill pipe.
3. Open choke line valve at BOP.
4. Signal Floor Man #1 at accumulator that choke line is open.
5. Close choke and upstream valve after pipe rams have been closed.
6. Check for leaks on BOP stack and choke manifold.
7. Read annular pressure.
8. Report readings to the Driller.

v. Tool Pusher

1. Report to the rig floor.
2. Have a meeting with all of the crews.
3. Compile and summarize all information.
4. See that proper well kill procedures are put into action.

vi. Operator Representative

1. Notify Drilling Superintendent
2. Determine if an emergency exists, and if so, activate the contingency plan.

## IGNITION PROCEDURES

### Responsibility:

The decision to ignite the well is the responsibility of the DRILLING FOREMAN in concurrence with the emergency response officials. In the event the Drilling Foreman is incapacitated, it becomes the responsibility of the RIG TOOL PUSHER. This decision should be made only as a last resort and in a situation where it is clear that:

1. Human life and property are endangered.
2. There is no hope of controlling the blowout under the prevailing conditions.

If time permits, notify the main office, but do not delay if human life is in danger. Initiate the first phase of the evacuation plan.

### Instructions for Igniting the Well:

1. Two people are required for the actual igniting operation. Both men must wear self-contained breathing apparatus and must use a full body harness and attach a retrievable safety line to the D-Ring in the back. One man must monitor the atmosphere for explosive gases with the LEL monitor, while the Drilling Foreman is responsible for igniting the well.
2. The primary method to ignite is a 25mm flare gun with a range of approximately 500 feet.
3. Ignite from upwind and do not approach any closer than is warranted.
4. Select the ignition site best suited for protection and which offers an easy escape route.
5. Before igniting, check for the presence of combustible gases.
6. After igniting, continue emergency actions and procedures as before.
7. All unassigned personnel will limit their actions to those directed by the Drilling Foreman.

Note: After the well is ignited, burning Hydrogen Sulfide will convert to Sulfur Dioxide, which is also highly toxic. Do not assume the area is safe after the well is ignited.

## TRAINING PROGRAM

When working in an area where Hydrogen Sulfide (H<sub>2</sub>S) might be encountered, definite training requirements must be carried out. The Company Supervisor will ensure that all personnel, at the well site, have had adequate training in the following consistent with the requirements in ANSI/ASSE Z390.1-2006 (R2010) Accepted Practices for Hydrogen Sulfide (H<sub>2</sub>S) Training Programs:

1. Physical and Chemical Properties of Hydrogen Sulfide.
2. Sources of Hydrogen Sulfide.
3. Human Physiology and Medical Evaluation.
4. Work Procedures.
5. Personal Protective Equipment.
6. Use of Contingency Plans and Emergency Response.
7. Burning, Flaring and Venting of Hydrogen Sulfide.
8. State and Federal Regulatory Requirements.
9. Hydrogen Sulfide Release Dispersion Models
10. Rescue Techniques, First Aid and Post-Exposure Evaluation
11. Methods of Detection and Monitoring
12. Engineering Controls
13. Transportation of Hydrogen Sulfide Cargoes
14. Emerging Technology

Service company personnel and visiting personnel must be notified if the zone contains H<sub>2</sub>S, and each service company must provide proof of adequate training and equipment for their employees before they arrive at the well site.

## EMERGENCY EQUIPMENT REQUIREMENTS

### Lease Entrance Sign:

Should be located at the lease entrance with the following information:

CAUTION- POTENTIAL POISON GAS  
HYDROGEN SULFIDE  
NO ADMITTANCE WITHOUT AUTHORIZATION

### Respiratory Equipment:

- Fresh air breathing equipment should be placed at the safe briefing areas and should include the following:
- Two SCBA's at each briefing area.
- Enough airline units to operate safely, anytime the H<sub>2</sub>S concentration reaches the IDLH level (100 ppm).
- Cascade system with enough breathing air hose and manifolds to reach the rig floor, the derrick man and the other operation areas.

### Windssocks or Wind Streamers:

- A minimum of two 10" windssocks located at strategic locations so that they may be seen from any point on location.
- Wind streamers (if preferred) should be placed at various locations on the well site to ensure wind consciousness at all times. (Corners of location).

### Hydrogen Sulfide Detector and Alarms:

- 1- Four channel H<sub>2</sub>S monitor with alarms.
- Four (4) sensors located as follows: #1- Rig Floor, #2- Bell Nipple, #3- Shale Shaker, #4- Mud Pits.
- Gastec or Draeger pump with tubes.
- Sensor test gas.

**Well Condition Sign and Flags:**

The Well Condition Sign w/flags should be placed a minimum of 150' before you enter the location. It should have three (3) color coded flags (green, yellow and red) that will be used to denote the following location conditions:

GREEN- Normal Operating Conditions  
YELLOW- Potential Danger  
RED- Danger, H<sub>2</sub>S Gas Present

**Auxiliary Rescue Equipment:**

- Stretcher
- 2- 100' Rescue lines.
- First Aid Kit properly stocked.

**Mud Inspection Equipment:**

Garret Gas Train or Hach Tester for inspection of Hydrogen Sulfide in the drilling mud system.

**Fire Extinguishers:**

Adequate fire extinguishers shall be located at strategic locations.

**Blowout Preventer:**

- The well shall have hydraulic BOP equipment for the anticipated BHP.
- The BOP should be tested upon installation.
- BOP, Choke Line and Kill Line will be tested as specified by Operator.

**Confined Space Monitor:**

There should be a portable multi-gas monitor with at least 3 sensors (O<sub>2</sub>, LEL H<sub>2</sub>S). This instrument should be used to test the atmosphere of any confined space before entering. It should also be used for atmospheric testing for LEL gas before beginning any type of Hot Work. Proper calibration documentation will need to be provided.

**Communication Equipment:**

- Proper communication equipment such as cell phones or 2-way radios should be available at the rig.
- Radio communication shall be available for communication between the company man's trailer, rig floor and the tool pusher's trailer.

- Communication equipment shall be available on the vehicles.

**Special Control Equipment:**

- Hydraulic BOP equipment with remote control on the ground.
- Rotating head at the surface casing point.

**Evacuation Plan:**

- Evacuation routes should be established prior to spudding the well.
- Should be discussed with all rig personnel.

**Designated Areas:**

***Parking and Visitor area:***

- All vehicles are to be parked at a pre-determined safe distance from the wellhead.
- Designated smoking area.

**Safe Briefing Areas:**

- Two Safe Briefing Areas shall be designated on either side of the location at the maximum allowable distance from the well bore so they offset prevailing winds or they are at a 180 degree angle if wind directions tend to shift in the area.
- Personal protective equipment should be stored at both briefing areas or if a moveable cascade trailer is used, it should be kept upwind of existing winds. When wind is from the prevailing direction, both briefing areas should be accessible.

**Note:**

- Additional equipment will be available at the Alliance Safety office.
- Additional personal H<sub>2</sub>S monitors are available for all employees on location.
- Automatic Flare Igniters are recommended for installation on the rig.

## CHECK LISTS

### Status Check List

Note: Date each item as they are implemented.

1. Sign at location entrance. \_\_\_\_\_
2. Two (2) wind socks (in required locations). \_\_\_\_\_
3. Wind Streamers (if required). \_\_\_\_\_
4. SCBA's on location for all rig personnel and mud loggers. \_\_\_\_\_
5. Air packs, inspected and ready for use. \_\_\_\_\_
6. Spare bottles for each air pack (if required). \_\_\_\_\_
7. Cascade system for refilling air bottles. \_\_\_\_\_
8. Cascade system and hose line hook up. \_\_\_\_\_
9. Choke manifold hooked-up and tested.  
(before drilling out surface casing.) \_\_\_\_\_
10. Remote Hydraulic BOP control (hooked-up and tested before  
drilling out surface casing). \_\_\_\_\_
11. BOP tested (before drilling out surface casing). \_\_\_\_\_
12. Mud engineer on location with equipment to test mud for H<sub>2</sub>S. \_\_\_\_\_
13. Safe Briefing Areas set-up \_\_\_\_\_
14. Well Condition sign and flags on location and ready. \_\_\_\_\_
15. Hydrogen Sulfide detection system hooked -up & tested. \_\_\_\_\_
16. Hydrogen Sulfide alarm system hooked-up & tested. \_\_\_\_\_
17. Stretcher on location at Safe Briefing Area. \_\_\_\_\_
18. 2 -100' Life Lines on location. \_\_\_\_\_
19. 1-20# Fire Extinguisher in safety trailer. \_\_\_\_\_
20. Confined Space Monitor on location and tested. \_\_\_\_\_
21. All rig crews and supervisor trained (as required). \_\_\_\_\_

- 22. Access restricted for unauthorized personnel.
- 23. Drills on H<sub>2</sub>S and well control procedures.
- 24. All outside service contractors advised of potential H<sub>2</sub>S on the well.
- 25. NO SMOKING sign posted.
- 26. H<sub>2</sub>S Detector Pump w/tubes on location.
- 27. 25mm Flare Gun on location w/flares.
- 28. Automatic Flare Igniter installed on rig.

---

---

---

---

---

---

---

---

## Procedural Check List

Perform the following on each tour:

1. Check fire extinguishers to see that they have the proper charge.
2. Check breathing equipment to insure that they have not been tampered with.
3. Check pressure on the supply air bottles to make sure they are capable of recharging.
4. Make sure all of the Hydrogen Sulfide detection systems are operative.

Perform the following each week:

1. Check each piece of breathing equipment to make sure that they are fully charged and operational. This requires that the air cylinder be opened and the mask assembly be put on and tested to make sure that the regulators and masks are properly working. Negative and Positive pressure should be conducted on all masks.
2. BOP skills.
3. Check supply pressure on BOP accumulator stand-by source.
4. Check all breathing air mask assemblies to see that straps are loosened and turned back, ready for use.
5. Check pressure on cascade air cylinders to make sure they are fully charged and ready to use for refill purposes if necessary.
6. Check all cascade system regulators to make sure they work properly.
7. Perform breathing drills with on-site personnel.
8. Check the following supplies for availability:
  - Stretcher
  - Safety Belts and Ropes
  - Spare air Bottles
  - Spare Oxygen Bottles (if resuscitator required)
  - Gas Detector Pump and Tubes
  - Emergency telephone lists
9. Test the Confined Space Monitor to verify the batteries are good

# EVACUATION PLAN

## General Plan

The direct lines of action prepared by Mack Energy Corporation to protect the public from hazardous gas situations are as follows:

1. When the company approved supervisor (Drilling Foreman, Tool Pusher or Driller) determine that Hydrogen Sulfide gas cannot be limited to the well location, and the public will be involved, he will activate the evacuation plan. Escape routes are noted on the area map.
2. Company safety personnel or designee will notify the appropriate local government agency that a hazardous condition exists and evacuation needs to be implemented.
3. Company approved safety personnel that have been trained in the use of the proper emergency equipment will be utilized.
4. Law enforcement personnel (State Police, Local Police Department, Fire Department, and the Sheriff's Department) will be called to aid in setting up and maintaining road blocks. Also, they will aid in evacuation of the public if necessary.

NOTE: Law enforcement personnel will not be asked to come into a contaminated area. Their assistance will be limited to uncontaminated areas. Constant radio contact will be maintained with them.

5. After the discharge of gas has been controlled, "Company" safety personnel will determine when the area is safe for re-entry.

**See Specific Site Safety Plan or Job Safety Analysis to be completed during drilling**

## Emergency Assistance Telephone List

### PUBLIC SAFETY: 911 or

Pecos Valley Communication (575) 624-7590  
Center (Chaves County Police, Fire,  
EMS)

Central Dispatch (575) 616-7155  
(Eddy County Police, Fire, EMS)

#### Hospitals:

Roswell (575) 622-8170  
Artesia (575) 748-3333

Dept. of Public Safety/SE New Mexico (575) 622-7200  
Highway Department (575) 637-7200  
New Mexico Oil Conservation (575) 748-1283  
Bureau of Land Management (575) 622-5335

### Mack Energy Corporation

#### Company Drilling Supervisor

Jim Krogman (575) 703-7385

#### Drilling Foreman

Emilio Martinez (575) 703-5231

### Silver Oak Drilling

Silver Oak Drilling (575) 746-4405

#### Tool Pusher:

Darren Mc Bride (575) 703-6070

Osiel Sanchez (575) 703-4109

#### Safety

Lee Hassell (Alliance Safety)  
(806) 217-2950

Scott Ford (Mack Energy)  
(505) 692-4976

Robbie Houghtaling (Silver Oak)  
(575) 703-2122

**Intentionally Blank –Space provided for Specific Site Safety Plan or Job Safety Analysis**

## Affected Notification List

(within a 65' radius of exposure @ 100ppm)

The geologic zones that will be encountered during drilling are known to contain hazardous quantities of H<sub>2</sub>S. The accompanying map illustrates the affected areas of the community. The residents within this radius will be notified via a hand delivered written notice describing the activities, potential hazards, conditions of evacuation, evacuation drill siren alarms and other precautionary measures.

### Evacuee Description:

Residents: **THERE ARE NO RESIDENTS WITHIN 3000' ROE.**

### Notification Process:

A continuous siren audible to all residence will be activated, signaling evacuation of previously notified and informed residents.

### Evacuation Plan:

All evacuees will migrate lateral to the wind direction.

The Oil Company will identify all home bound or highly susceptible individuals and make special evacuation preparations, interfacing with the local and emergency medical service as necessary.

## Toxic Effects of H<sub>2</sub>S Poisoning

Hydrogen Sulfide is extremely toxic. The acceptable ceiling concentration for eight-hour exposure is 10 PPM, which is .001% by volume. Hydrogen Sulfide is heavier than air (specific gravity -1.192) and is colorless and transparent. Hydrogen Sulfide is almost as toxic as Hydrogen Cyanide and is 5-6 times more toxic than Carbon Monoxide. Occupational exposure limits for Hydrogen Sulfide and other gases are compared below in Table 1. Toxicity table for H<sub>2</sub>S and physical effects are shown in Table 2.

Table I  
Permissible Exposure Limits of Various Gases

Common Name	Symbol	Sp. Gravity	TLV	STEL	IDLH
Hydrogen Cyanide	HCN	.94	4.7 ppm	c	
Hydrogen Sulfide	H <sub>2</sub> S	1.192	10 ppm	15 ppm	100 ppm
Sulfide Dioxide	so <sub>2</sub>	2.21	2 ppm	5 ppm	
Chlorine	CL	2.45	.5 ppm	1 ppm	
Carbon Monoxide	co	.97	25 ppm	200 ppm	
Carbon Dioxide	C <sub>02</sub>	1.52	5000 ppm	30,000 ppm	
Methane	CH <sub>4</sub>	.55	4.7% LEL	14% UEL	

### Definitions

- A. TLV- Threshold Limit Value is the concentration employees may be exposed based on a TWA (time weighted average) for eight (8) hours in one day for 40 hours in one (1) week. This is set by ACGIH (American Conference of Governmental Hygienists) and regulated by OSHA.
- B. STEL- Short Term Exposure Limit is the 15 minute average concentration an employee may be exposed to providing that the highest exposure never exceeds the OEL (Occupational Exposure Limit). The OEL for H<sub>2</sub>S is 19 PPM.
- C. IDLH -Immediately Dangerous to Life and Health is the concentration that has been determined by the ACGIH to cause serious health problems or death if exposed to this level. The IDLH for H<sub>2</sub>S is 100 PPM.
- D. TWA- Time Weighted Average is the average concentration of any chemical or gas for an eight (8) hour period. This is the concentration that any employee may be exposed based on an TWA.

**TABLE 2**

Toxicity Table of H<sub>2</sub>S

Percent%	PPM	Physical Effects
.0001	1	Can smell less than 1ppm.
.001	10	TLV for 8 hours of exposure.
.0015	15	STEL for 15 minutes of exposure.
.01	100	Immediately Dangerous to Life & Health. Kills sense of smell in 3 to 5 minutes.
.02	200	Kills sense of smell quickly, may burn eyes and throat.
.05	500	Dizziness, cessation of breathing begins in a few minutes.
.07	700	Unconscious quickly, death will result if not rescued promptly.
.10	1000	Death will result unless rescued promptly. Artificial resuscitation may be necessary.

## PHYSICAL PROPERTIES OF H<sub>2</sub>S

The properties of all gases are usually described in the context of seven major categories:

COLOR  
ODOR  
VAPOR DENSITY  
EXPLOSIVE LIMITS  
FLAMMABILITY  
SOLUBILITY (IN WATER)  
BOILING POINT

Hydrogen Sulfide is no exception. Information from these categories should be considered in order to provide a fairly complete picture of the properties of the gas.

### **COLOR-TRANSPARENT**

Hydrogen Sulfide is colorless so it is invisible. This fact simply means that you can't rely on your eyes to detect its presence. In fact that makes this gas extremely dangerous to be around.

### **ODOR- ROTTEN EGGS**

Hydrogen Sulfide has a distinctive offensive smell, similar to "rotten eggs". For this reason it earned its common name "sour gas". However, H<sub>2</sub>S, even in low concentrations, is so toxic that it attacks and quickly impairs a victim's sense of smell, so it could be fatal to rely on your nose as a detection device.

### **VAPOR DENSITY- SPECIFIC GRAVITY OF 1.192**

Hydrogen Sulfide is heavier than air so it tends to settle in low-lying areas like pits, cellars or tanks. If you find yourself in a location where H<sub>2</sub>S is known to exist, protect yourself. Whenever possible, work in an area upwind and keep to higher ground.

### **EXPLOSIVE LIMITS- 4.3% TO 46%**

Mixed with the right proportion of air or oxygen, H<sub>2</sub>S will ignite and burn or explode, producing another alarming element of danger besides poisoning.

### **FLAMMABILITY**

Hydrogen Sulfide will burn readily with a distinctive clear blue flame, producing Sulfur Dioxide (SO<sub>2</sub>), another hazardous gas that irritates the eyes and lungs.

### **SOLUBILITY-4 TO 1 RATIO WITH WATER**

Hydrogen Sulfide can be dissolved in liquids, which means that it can be present in any container or vessel used to carry or hold well fluids including oil, water, emulsion and sludge. The solubility of H<sub>2</sub>S is dependent on temperature and pressure, but if conditions are right, simply agitating a fluid containing H<sub>2</sub>S may release the gas into the air.

### **BOILING POINT- (-76 degrees Fahrenheit)**

Liquefied Hydrogen Sulfide boils at a very low temperature, so it is usually found as a gas.

## RESPIRATOR USE

The Occupational Safety and Health Administration (OSHA) regulate the use of respiratory protection to protect the health of employees. OSHA's requirements are written in the Code of Federal Regulations, Title 29, Part 1910, Section 134, Respiratory Protection. This regulation requires that all employees who might be required to wear respirators, shall complete a OSHA mandated medical evaluation questionnaire. The employee then should be fit tested prior to wearing any respirator while being exposed to hazardous gases.

Written procedures shall be prepared covering safe use of respirators in dangerous atmospheric situations, which might be encountered in normal operations or in emergencies. Personnel shall be familiar with these procedures and the available respirators.

Respirators shall be inspected prior to and after each use to make sure that the respirator has been properly cleaned, disinfected and that the respirator works properly. The unit should be fully charged prior to being used.

Anyone who may use respirators shall be properly trained in how to properly seal the face piece. They shall wear respirators in normal air and then in a test atmosphere. (Note: Such items as facial hair (beard or sideburns) and eyeglass temple pieces will not allow a proper seal.) Anyone that may be expected to wear respirators should have these items removed before entering a toxic atmosphere. A special mask must be obtained for anyone who must wear eyeglasses. Contact lenses should not be allowed.

Respirators shall be worn during the following conditions:

- A. Any employee who works near the top or on the top of any tank unless tests reveal less than 20 ppm of H<sub>2</sub>S.
- B. When breaking out any line where H<sub>2</sub>S can reasonably be expected.
- C. When sampling air in areas where H<sub>2</sub>S may be present.
- D. When working in areas where the concentration of H<sub>2</sub>S exceeds the Threshold Limit Value for H<sub>2</sub>S (10 ppm).
- E. At any time where there is a doubt as to the H<sub>2</sub>S level in the area to be entered.

## EMERGENCY RESCUE PROCEDURES

**DO NOT PANIC!!!**

**Remain Calm -Think**

1. Before attempting any rescue you must first get out of the hazardous area yourself. Go to a safe briefing area.
2. Sound alarm and activate the 911 system.
3. Put on breathing apparatus. At least two persons should do this, when available use the buddy system.
4. Rescue the victim and return them to a safe briefing area.
5. Perform an initial assessment and begin proper First Aid/CPR procedures.
6. Keep victim lying down with a blanket or coat, etc., under the shoulders to keep airway open. Conserve body heat and do not leave unattended.
7. If the eyes are affected by H<sub>2</sub>S, wash them thoroughly with potable water. For slight irritation, cold compresses are helpful.
8. In case a person has only minor exposure and does not lose consciousness totally, it's best if he doesn't return to work until the following day.
9. Any personnel overcome by H<sub>2</sub>S should always be examined by medical personnel. They should always be transported to a hospital or doctor.

<b>APD ID:</b> 10400032359	<b>Submission Date:</b> 08/21/2018	Highlighted data reflects the most recent changes <a href="#">Show Final Text</a>
<b>Operator Name:</b> MACK ENERGY CORPORATION		
<b>Well Name:</b> RED DEER FEDERAL COM	<b>Well Number:</b> 1H	
<b>Well Type:</b> OIL WELL	<b>Well Work Type:</b> Drill	

**Section 1 - Existing Roads**

**Will existing roads be used?** YES

**Existing Road Map:**

Vicinity\_Map\_20180820123116.pdf

**Existing Road Purpose:** ACCESS,FLUID TRANSPORT

**Row(s) Exist?** NO

**ROW ID(s)**

**ID:**

**Do the existing roads need to be improved?** NO

**Existing Road Improvement Description:**

**Existing Road Improvement Attachment:**

**Section 2 - New or Reconstructed Access Roads**

**Will new roads be needed?** YES

**New Road Map:**

Vicinity\_Map\_20180820123243.pdf

**New road type:** TWO-TRACK

**Length:** 900 Feet **Width (ft.):** 14

**Max slope (%):** 1 **Max grade (%):** 2

**Army Corp of Engineers (ACOE) permit required?** NO

**ACOE Permit Number(s):**

**New road travel width:** 14

**New road access erosion control:** The maximum width of the running surface will be 14'. The road will be crowned and ditched and constructed of 6" rolled and compacted caliche. Ditches will be at 3:1 slope and 3' wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage and to be consistent with local drainage patterns. The average grade will be less than 1%. No turnouts are planned. No culverts, cattleguard, gates, low water crossing or fence cuts are necessary. Surfacing material will consist of native caliche. Caliche will be obtained from the nearest BLM approved caliche pit located Sec. 19 T15S R29E and Sec 34 T15S R29E.

**New road access plan or profile prepared?** NO

**Operator Name:** MACK ENERGY CORPORATION

**Well Name:** RED DEER FEDERAL COM

**Well Number:** 1H

**New road access plan attachment:**

**Access road engineering design?** NO

**Access road engineering design attachment:**

**Access surfacing type:** OTHER

**Access topsoil source:** ONSITE

**Access surfacing type description:** Caliche will be obtained from the nearest BLM approved caliche pit located Sec. 19 T15S R29E and Sec 34 T15S R29E

**Access onsite topsoil source depth:** 2

**Offsite topsoil source description:**

**Onsite topsoil removal process:** Blade topsoil into windrow along- up slope edge of road.

**Access other construction information:**

**Access miscellaneous information:**

**Number of access turnouts:**

**Access turnout map:**

### **Drainage Control**

**New road drainage crossing:** OTHER

**Drainage Control comments:** The Maximum width of the running surface will be 14'. The road will be crowned and ditched and constructed of 6" rolled and compacted caliche. Ditches will be at 3:1 slope and 3' wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage and to be consistent with local drainage patterns. The average grade will be less than 1%. No turnouts are planned, No culverts, cattleguard, gates, low water crossing or fence cuts are necessary. Surfacing material will consist of native caliche. Caliche will be obtained from the nearest BLM approved caliche pit located Sec. 19 T15S R29E and Sec 34 T15S R29E.

**Road Drainage Control Structures (DCS) description:** The maximum width of the running surface will be 14'. The road will be crowned and ditched and constructed of 6" rolled and compacted caliche. Ditches will be at 3:1 slope and 3' wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage and to be consistent with local drainage patterns. The average grade will be less than 1%. No turnouts are planned, no culverts, cattleguard, gates, low water crossing or fence cuts are necessary. Surfacing material will consist of native caliche. Caliche will be obtained from the nearest BLM approved caliche pit located Sec 19 T15S R29E and Sec 34 T15S R29E.

**Road Drainage Control Structures (DCS) attachment:**

### **Access Additional Attachments**

**Additional Attachment(s):**

### **Section 3 - Location of Existing Wells**

**Existing Wells Map?** YES

**Attach Well map:**

Red\_Deer\_Federal\_Com\_\_1H\_well\_map\_20180809113526.pdf

**Existing Wells description:**

**Operator Name:** MACK ENERGY CORPORATION

**Well Name:** RED DEER FEDERAL COM

**Well Number:** 1H

## Section 4 - Location of Existing and/or Proposed Production Facilities

**Submit or defer a Proposed Production Facilities plan?** SUBMIT

**Production Facilities description:** A.) Mack Energy Corporation will produce this well at the Ajax CTB located NE/4 NE/4 Sec. 35 T15S R28E 990 FNL 990 FEL. B.) If the well is productive, contemplated facilities will be as follows: 1) San Andres Completion: Will be sent to the Ajax CTB located NE/4 NE/4 Sec. 35 T15S R28E. The facility is shown in attachment. 2) The tank battery and facilities including all flow lines and piping will be installed according API specifications. 3) Any additional caliche will be obtained from a BLM approved caliche pit. Any additional construction materials will be purchased from contractors. 4) It will be necessary to run electric power if this well is productive. Power will be run by CVE and they will send in a separate plan for power. Proposed flow lines will tren South to the Ajax CTB. Flowline will be a 4" poly surface line, 3474' in length with a 40 psi working pressure.

**Production Facilities map:**

AJax\_\_CTB\_20180820152150.pdf

## Section 5 - Location and Types of Water Supply

### Water Source Table

**Water source use type:** CAMP USE, DUST CONTROL, INTERMEDIATE/PRODUCTION CASING, STIMULATION, SURFACE CASING

**Water source type:** GW WELL

**Describe type:**

**Source longitude:**

**Source latitude:**

**Source datum:**

**Water source permit type:** OTHER

**Source land ownership:** OTHER

**Describe land ownership:**

**Water source transport method:** TRUCKING

**Source transportation land ownership:** OTHER

**Describe transportation land ownership:**

**Water source volume (barrels):** 2000

**Source volume (acre-feet):** 0.25778618

**Source volume (gal):** 84000

**Water source and transportation map:**

Water\_Source\_2\_20180801143657.pdf

Water\_Source\_3\_20180801143709.pdf

Water\_Source\_20180801143720.pdf

**Water source comments:** Please see attachment. City/Municipal Water: Town of Hagerman S10 T14S R26E, Mor-West Sec 20 T17S R30E Brine Water: Salty Dog Sec 5 T19S R36E Wasserhund Sec 36 T16S R34E

**New water well?** NO

### New Water Well Info

**Well latitude:**

**Well Longitude:**

**Well datum:**

**Operator Name:** MACK ENERGY CORPORATION

**Well Name:** RED DEER FEDERAL COM

**Well Number:** 1H

**Well target aquifer:**

**Est. depth to top of aquifer(ft):**

**Est thickness of aquifer:**

**Aquifer comments:**

**Aquifer documentation:**

**Well depth (ft):**

**Well casing type:**

**Well casing outside diameter (in.):**

**Well casing inside diameter (in.):**

**New water well casing?**

**Used casing source:**

**Drilling method:**

**Drill material:**

**Grout material:**

**Grout depth:**

**Casing length (ft.):**

**Casing top depth (ft.):**

**Well Production type:**

**Completion Method:**

**Water well additional information:**

**State appropriation permit:**

**Additional information attachment:**

## Section 6 - Construction Materials

**Construction Materials description:** All caliche required for construction of drill pad and proposed new access road (approximately 2500 cubic yards) will be obtained from approved caliche pit @ Sec. 34 T15S R29E and/or Sec. 19 T15S R29E

**Construction Materials source location attachment:**

Caliche\_Pits\_20180801151817.pdf

## Section 7 - Methods for Handling Waste

**Waste type:** DRILLING

**Waste content description:** Drill cutting and fluids will be disposed into the steel tanks and hauled to R-360 disposal facility, permit number NM-01-0006. Located on HWY 62 to MM 66. Drilling fluids will be contained in steel tanks using a closed loop system. No pits will be used during drilling operations.

**Amount of waste:** 380 barrels

**Waste disposal frequency :** Weekly

**Safe containment description:** Drill cutting and fluids will be disposed into the steel tanks and hauled to R-360 disposal facility, permit number NM-01-0006. Located on HWY 62 to MM 66. Drilling fluids will be contained in steel tanks using a closed loop system. No pits will be used during drilling operations.

**Safe containmant attachment:**

**Waste disposal type:** HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** COMMERCIAL

**Disposal type description:**

**Disposal location description:** R-360 disposal facility, permit number NM-01-0006. Located on HWY 62 at MM 66.

**Operator Name:** MACK ENERGY CORPORATION

**Well Name:** RED DEER FEDERAL COM

**Well Number:** 1H

**Waste type:** SEWAGE

**Waste content description:** Sewage and Gray Water will be placed in container and hauled to an approved facility. Container and disposal handled by Black Hawk.

**Amount of waste:**

**Waste disposal frequency :** Weekly

**Safe containment description:** Sewage and Gray Water will be placed in container and hauled to an approved facility. Container and disposal handled by Black Hawk.

**Safe containmant attachment:**

**Waste disposal type:** HAUL TO COMMERCIAL FACILITY      **Disposal location ownership:** COMMERCIAL

**Disposal type description:**

**Disposal location description:** Black Hawk will dispose at an approved location. Black Hawk Keith Willis 575-631-6378

**Waste type:** PRODUCED WATER

**Waste content description:** Water produced from the well during completion may be disposed into a steel tank. After the well is permanently placed on production, produced water will be collected in tanks (fiberglass) and trucked to the Round Tank SWD #1 L-0729 30-005-64095, Sec. 19 T15S R29E 1980 FSL 1980 FWL, Chaves County NM; produced oil will be collected in steel tanks until sold.

**Amount of waste:** 2080                  barrels

**Waste disposal frequency :** Weekly

**Safe containment description:** Water produced from the well during completion may be disposed into a steel tank. After the well is permanently placed on production, produced water will be collected in tanks (fiberglass) and trucked to the Round Tank SWD #1 L-0729 30-005-64095, Sec. 19 T15S R29E 1980 FSL 1980 FWL, Chaves County NM; produced oil will be collected in steel tanks until sold.

**Safe containmant attachment:**

**Waste disposal type:** OFF-LEASE INJECTION      **Disposal location ownership:** STATE

**Disposal type description:**

**Disposal location description:** Round Tank SWD #1 L-0729 30-005-64095, Sec. 19 R15S R29E 1980 FSL 1980 FWL Chaves County NM

**Waste type:** GARBAGE

**Waste content description:** Garbage and trash produced during drilling or completion operations will be collected in a trash bin and hauled to an approved local landfill. No toxic waste or hazardous chemicals will be produced by this operation.

**Amount of waste:**

**Waste disposal frequency :** Weekly

**Safe containment description:** Garbage and trash produced during drilling or completion operations will be collected in a trash bin and hauled to an approved local landfill. No toxic water or hazardous chemicals will be produced by this operation.

**Safe containmant attachment:**

**Waste disposal type:** HAUL TO COMMERCIAL FACILITY      **Disposal location ownership:** COMMERCIAL

**Disposal type description:**

**Disposal location description:** Black Hawk will dispose at an approved location. Black Hawk Keith Willis 575-631-6378

**Operator Name:** MACK ENERGY CORPORATION

**Well Name:** RED DEER FEDERAL COM

**Well Number:** 1H

### Reserve Pit

**Reserve Pit being used?** NO

**Temporary disposal of produced water into reserve pit?**

**Reserve pit length (ft.)**                      **Reserve pit width (ft.)**

**Reserve pit depth (ft.)**    **Reserve pit volume (cu. yd.)**

**Is at least 50% of the reserve pit in cut?**

**Reserve pit liner**

**Reserve pit liner specifications and installation description**

### Cuttings Area

**Cuttings Area being used?** NO

**Are you storing cuttings on location?** NO

**Description of cuttings location**

**Cuttings area length (ft.)**    **Cuttings area width (ft.)**

**Cuttings area depth (ft.)**    **Cuttings area volume (cu. yd.)**

**Is at least 50% of the cuttings area in cut?**

**WCuttings area liner**

**Cuttings area liner specifications and installation description**

### Section 8 - Ancillary Facilities

**Are you requesting any Ancillary Facilities?:** NO

**Ancillary Facilities attachment:**

**Comments:**

### Section 9 - Well Site Layout

**Well Site Layout Diagram:**

Site\_Map\_20180801152248.pdf

**Comments:** A) The well site and elevation plat for the proposed well is shown in attachment. It was staked by Maddron Surveying, Carlsbad, NM B) The drill pad layout, with elevation staked by Maddron Surveying, is shown in attachment. Dimension of the pad are shown. Topsoil, if available will be stockpiled per BLM specifications. Because the pad is almost

**Operator Name:** MACK ENERGY CORPORATION

**Well Name:** RED DEER FEDERAL COM

**Well Number:** 1H

level no major cuts will be required. C) Diagram below shows the proposed orientation of the location. No permanent living facilities are planned, but a temporary foreman/ toolpusher's trailer will be on location during the drilling operations.

## Section 10 - Plans for Surface Reclamation

**Type of disturbance:** New Surface Disturbance

**Multiple Well Pad Name:**

**Multiple Well Pad Number:**

**Recontouring attachment:**

red\_deer\_reclaim\_20180820122241.pdf

**Drainage/Erosion control construction:** Edges of location will be bermed to prevent run off or erosion.

**Drainage/Erosion control reclamation:** The maximum width of the running surface will be 14'. The road will be crowned and ditched and constructed of 6" rolled and compacted caliche. Ditches will be at 3:1 slope and 3' wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage and to be consistent with local drainage patterns.

<b>Well pad proposed disturbance (acres):</b> 2.1192	<b>Well pad interim reclamation (acres):</b> 0.762	<b>Well pad long term disturbance (acres):</b> 1.43
<b>Road proposed disturbance (acres):</b> 0.4123	<b>Road interim reclamation (acres):</b> 0.1237	<b>Road long term disturbance (acres):</b> 0.2886
<b>Powerline proposed disturbance (acres):</b> 0	<b>Powerline interim reclamation (acres):</b> 0	<b>Powerline long term disturbance (acres):</b> 0
<b>Pipeline proposed disturbance (acres):</b> 0	<b>Pipeline interim reclamation (acres):</b> 0	<b>Pipeline long term disturbance (acres):</b> 0
<b>Other proposed disturbance (acres):</b> 0	<b>Other interim reclamation (acres):</b> 0	<b>Other long term disturbance (acres):</b> 0
<b>Total proposed disturbance:</b> 2.5315	<b>Total interim reclamation:</b> 0.8857	<b>Total long term disturbance:</b> 1.7186

### Disturbance Comments:

**Reconstruction method:** Caliche will be removed, ground ripped and stockpiled topsoil used to re-contoured as close as possible to the original natural level to prevent erosion and ponding of water. 2) Area will be reseeded as per BLM specifications. Seeding will be done when moisture is available and weather permitting. Pure Live Seed will be used to prevent noxious weeds. Annual inspection of growth will be done and necessary measures taken to eliminate noxious weeds.

**Topsoil redistribution:** Caliche will be removed, ground ripped and stockpiled topsoil used to re-contoured as close as possible to the original natural level to prevent erosion and ponding of water. 2) Area will be reseeded as per BLM specifications. Seeding will be done when moisture is available and weather permitting. Pure Live Seed will be used to prevent noxious weeds. Annual inspection of growth will be done and necessary measures taken to eliminate noxious weeds.

**Soil treatment:** Caliche will be removed, ground ripped and stockpiled topsoil used to re-contoured as close as possible to the original natural level to prevent erosion and ponding of water. 2) Area will be reseeded as per BLM specifications. Seeding will be done when moisture is available and weather permitting. Pure Live Seed will be used to prevent noxious weeds. Annual inspection of growth will be done and necessary measures taken to eliminate noxious weeds.

**Existing Vegetation at the well pad:** The area around the well site is grassland and topsoil is sandy. The vegetation is native scrub grass with sagebrush.

**Existing Vegetation at the well pad attachment:**

**Existing Vegetation Community at the road:**

**Existing Vegetation Community at the road attachment:**

**Operator Name:** MACK ENERGY CORPORATION

**Well Name:** RED DEER FEDERAL COM

**Well Number:** 1H

**Existing Vegetation Community at the pipeline:** The area around the pipeline is grassland and topsoil is sandy. The vegetation is native scrub grass with sagebrush.

**Existing Vegetation Community at the pipeline attachment:**

**Existing Vegetation Community at other disturbances:** The area is grassland and topsoil is sandy. The vegetation is native scrub grass with sagebrush.

**Existing Vegetation Community at other disturbances attachment:**

**Non native seed used?** NO

**Non native seed description:**

**Seedling transplant description:**

**Will seedlings be transplanted for this project?** NO

**Seedling transplant description attachment:**

**Will seed be harvested for use in site reclamation?** YES

**Seed harvest description:** A cultural resources examination has been requested and will be forwarded to your office in the near future.

**Seed harvest description attachment:**

## Seed Management

### Seed Table

**Seed type:**

**Seed source:**

**Seed name:**

**Source name:**

**Source address:**

**Source phone:**

**Seed cultivar:**

**Seed use location:**

**PLS pounds per acre:**

**Proposed seeding season:**

### Seed Summary

**Total pounds/Acre:**

**Seed Type**

**Pounds/Acre**

**Seed reclamation attachment:**

### Operator Contact/Responsible Official Contact Info

**First Name:** Jerry

**Last Name:** Sherrell

**Operator Name:** MACK ENERGY CORPORATION

**Well Name:** RED DEER FEDERAL COM

**Well Number:** 1H

**Phone:** (575)748-1288

**Email:** jerrys@mec.com

**Seedbed prep:**

**Seed BMP:**

**Seed method:**

**Existing invasive species?** NO

**Existing invasive species treatment description:**

**Existing invasive species treatment attachment:**

**Weed treatment plan description:** The holder shall seed all disturber areas with the seeds mixture listed by BLM. The seed mixture will be planted in the amounts specified in pounds of pure live seeds (PLS)\* per acres. There shall be no primary or secondary noxious weeds in seed mixture. Seed will be tested and the viability tested of seed will be done in accordance with State Laws and the nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State Law (s) and available for inspection by the authorized office.

**Weed treatment plan attachment:**

**Monitoring plan description:** After all disturbed area have been satisfactorily prepared, these areas need to be re-vegetated with seed mixture provided by BLM. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may be repeated until re-vegetation is successful, as determined by the BLM.

**Monitoring plan attachment:**

**Success standards:** The seeding will be repeated until a satisfactory stand is established as determined by the authorized office. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

**Pit closure description:** No pit

**Pit closure attachment:**

## **Section 11 - Surface Ownership**

**Disturbance type:** WELL PAD

**Describe:**

**Surface Owner:** PRIVATE OWNERSHIP

**Other surface owner description:**

**BIA Local Office:**

**BOR Local Office:**

**COE Local Office:**

**DOD Local Office:**

**NPS Local Office:**

**State Local Office:**

**Military Local Office:**

**USFWS Local Office:**

**Other Local Office:**

**Operator Name:** MACK ENERGY CORPORATION

**Well Name:** RED DEER FEDERAL COM

**Well Number:** 1H

**USFS Region:**

**USFS Forest/Grassland:**

**USFS Ranger District:**

## Section 12 - Other Information

**Right of Way needed?** NO

**Use APD as ROW?**

**ROW Type(s):**

### ROW Applications

**SUPO Additional Information:**

**Use a previously conducted onsite?** YES

**Previous Onsite information:** 7/31/2018

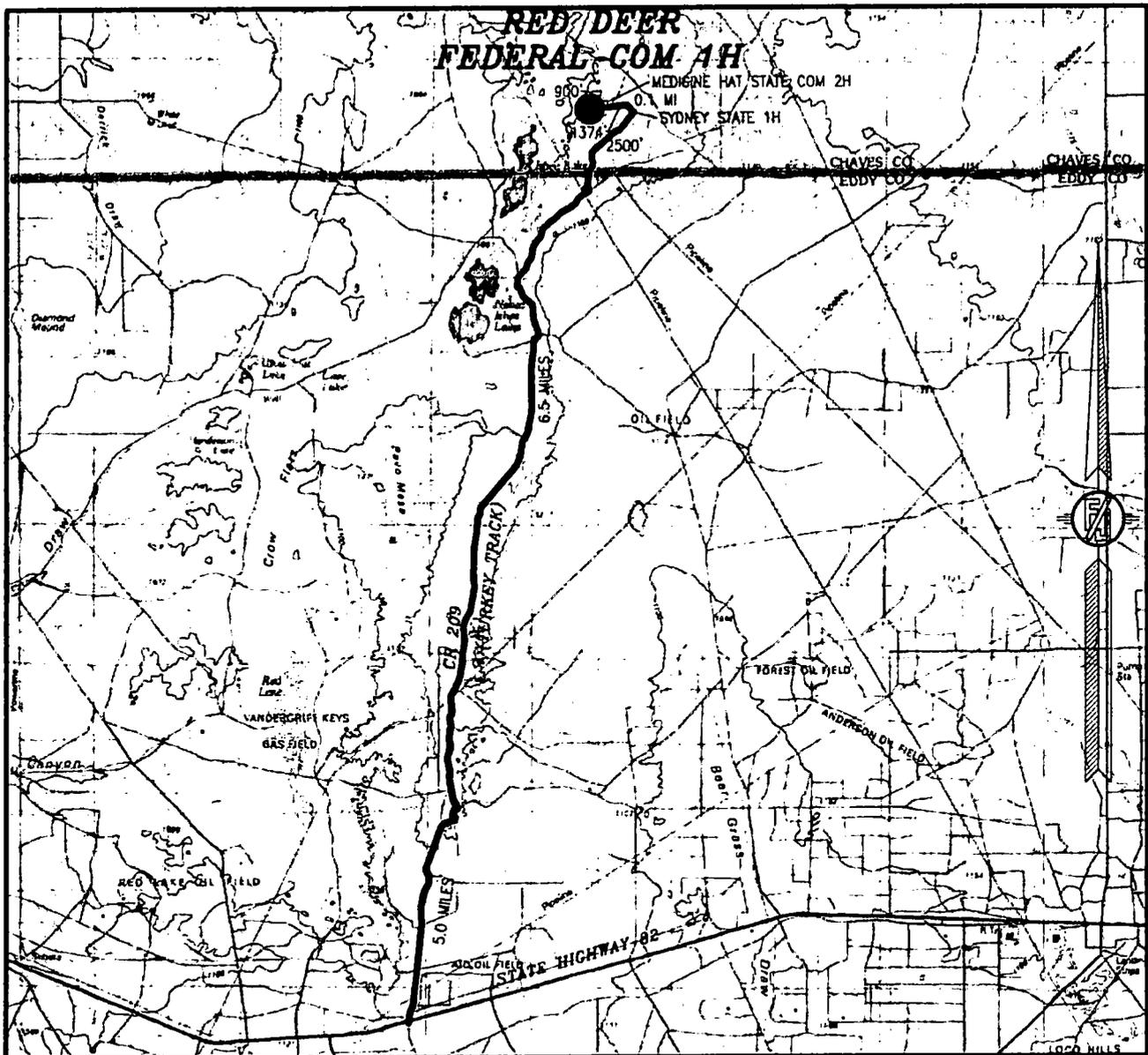
### Other SUPO Attachment

red\_deer\_1\_suppo\_20180820153855.pdf

red\_deer\_1\_gas\_capture\_20180820154428.pdf

red\_deer\_horizontal\_20180820154448.pdf

SECTION 35, TOWNSHIP 15 SOUTH, RANGE 28 EAST, N.M.P.M.  
 CHAVES COUNTY, STATE OF NEW MEXICO  
 VICINITY MAP



DISTANCES IN MILES

NOT TO SCALE

**DIRECTIONS TO LOCATION**

FROM INTERSECTION OF STATE HIGHWAY 82 AND CR 209 (TURKEY TRACK) GO NORTH ON CR 209 FOR APPROX. 5.0 MILES TO END OF CR MAINTENANCE, CONTINUE NORTH ON TURKEY TRACK ROAD FOR APPROX. 6.5 MILES, CONTINUE NORTHEAST ON 15' CALICHE LEASE ROAD FOR APPROX. 2500' TO SYDNEY STATE 1H PAD. CONTINUE NORTHWEST ON 15' CALICHE LEASE ROAD FOR APPROX. 0.1 OF A MILE, GO WEST ON 20' CALICHE LEASE ROAD APPROX. 1374' TO MEDICINE HAT STATE COM 2H, FROM SOUTHWEST PAD CORNER FOLLOW ROAD SURVEY SOUTHWEST FOR 900' TO SOUTHEAST PAD CORNER FOR THIS LOCATION.

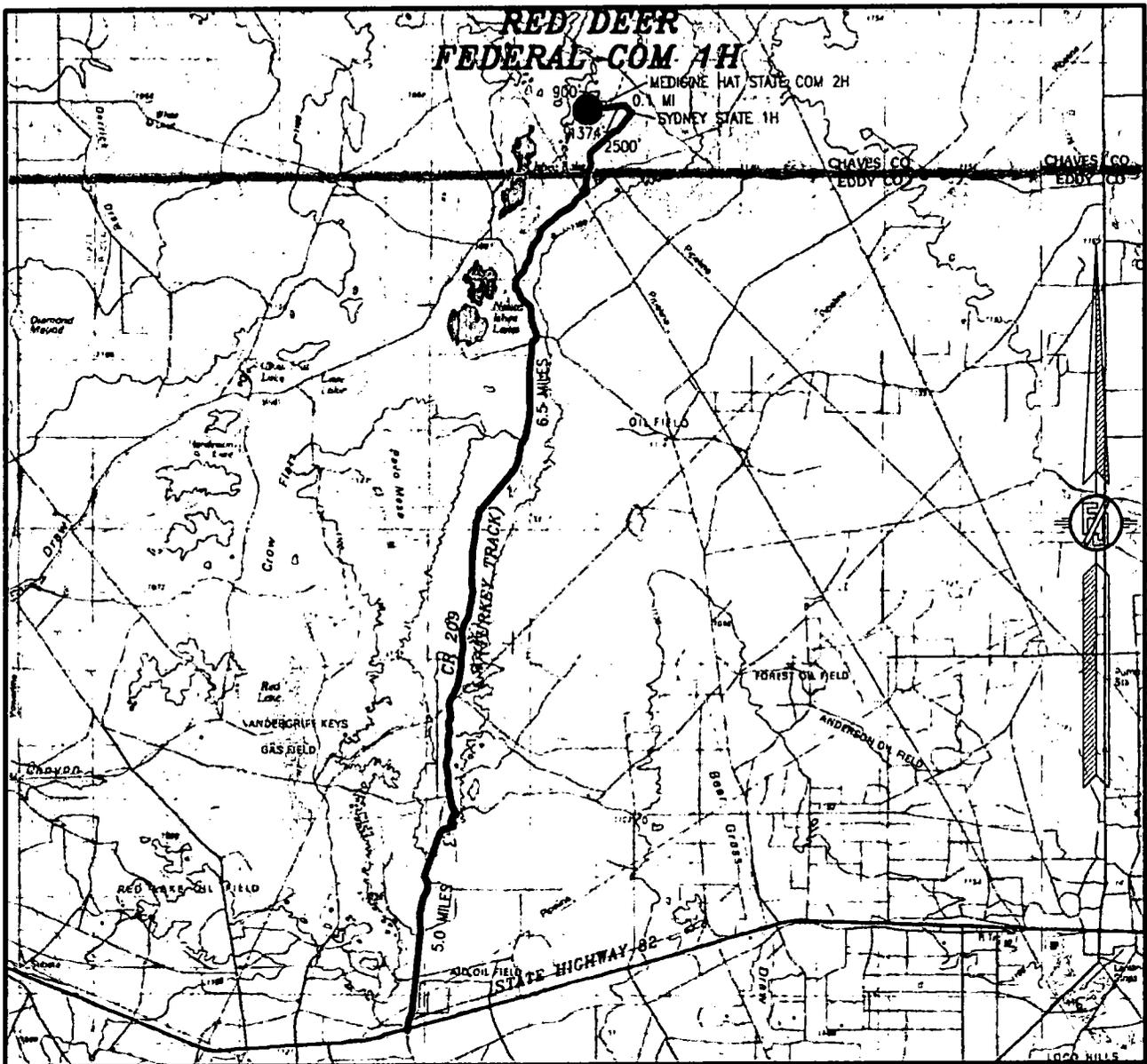
**MACK ENERGY CORPORATION  
 RED DEER FEDERAL COM 1H**  
 LOCATED 810 FT. FROM THE NORTH LINE  
 AND 1115 FT. FROM THE WEST LINE OF  
 SECTION 35, TOWNSHIP 15 SOUTH,  
 RANGE 28 EAST, N.M.P.M.  
 CHAVES COUNTY, STATE OF NEW MEXICO

JUNE 22, 2018

SURVEY NO. 5306

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO  
 (505) 234-3541

SECTION 35, TOWNSHIP 15 SOUTH, RANGE 28 EAST, N.M.P.M.  
 CHAVES COUNTY, STATE OF NEW MEXICO  
 VICINITY MAP



DISTANCES IN MILES.

NOT TO SCALE

**MACK ENERGY CORPORATION**  
**RED DEER FEDERAL COM 1H**  
 LOCATED 810 FT. FROM THE NORTH LINE  
 AND 1115 FT. FROM THE WEST LINE OF  
 SECTION 35, TOWNSHIP 15 SOUTH,  
 RANGE 28 EAST, N.M.P.M.  
 CHAVES COUNTY, STATE OF NEW MEXICO

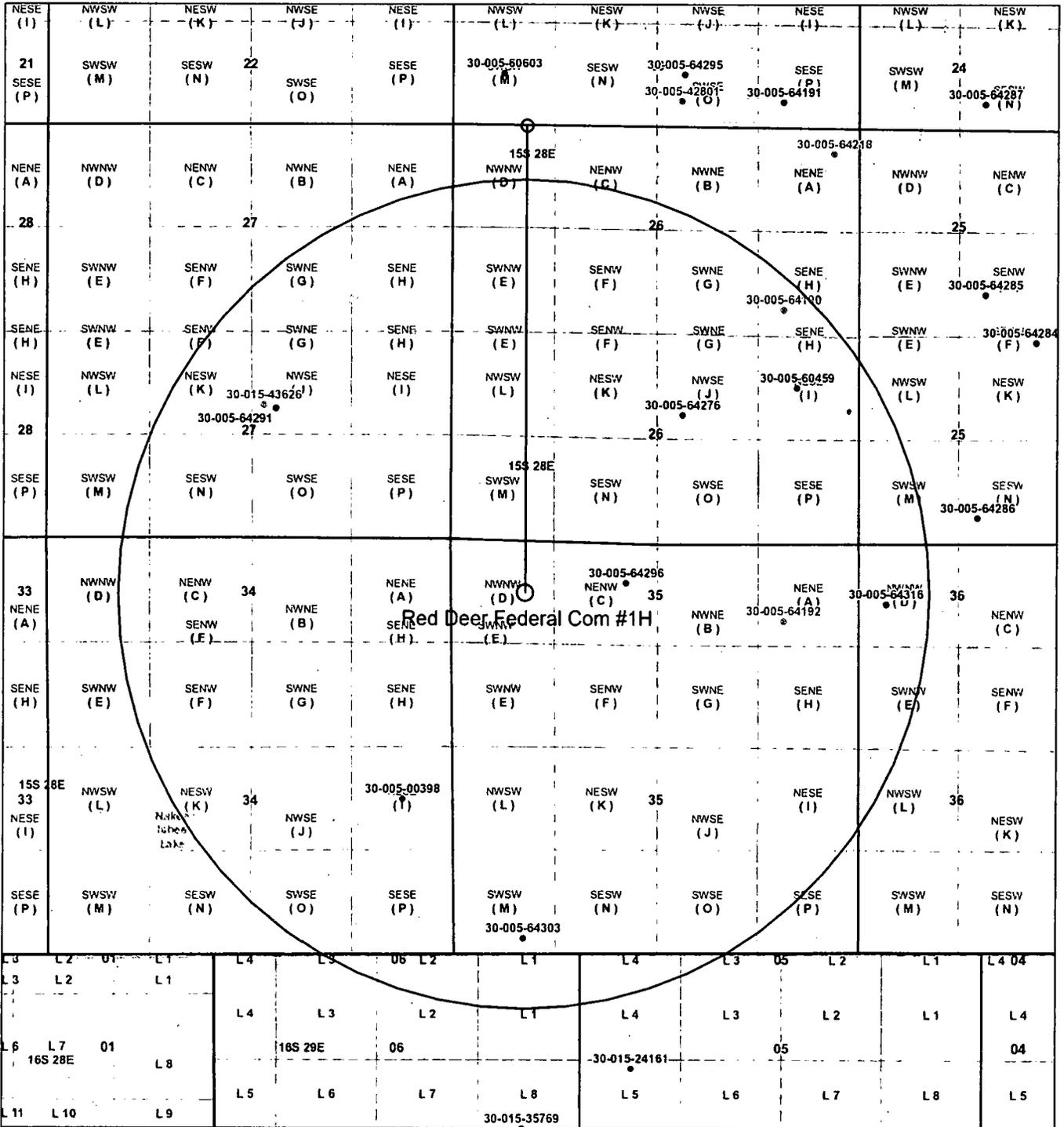
**DIRECTIONS TO LOCATION**  
 FROM INTERSECTION OF STATE HIGHWAY 82 AND CR 209 (TURKEY TRACK) GO NORTH ON CR 209 FOR APPROX. 5.0 MILES TO END OF CR MAINTENANCE. CONTINUE NORTH ON TURKEY TRACK ROAD FOR APPROX. 6.5 MILES, CONTINUE NORTHEAST ON 15' CALICHE LEASE ROAD FOR APPROX. 2500' TO SYDNEY STATE 1H PAD. CONTINUE NORTHWEST ON 15' CALICHE LEASE ROAD FOR APPROX. 0.1 OF A MILE, GO WEST ON 20' CALICHE LEASE ROAD APPROX. 1374' TO MEDICINE HAT STATE COM 2H, FROM SOUTHWEST PAD CORNER FOLLOW ROAD SURVEY SOUTHWEST FOR 900' TO SOUTHEAST PAD CORNER FOR THIS LOCATION.

JUNE 22, 2018

SURVEY NO. 5306

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO  
 (505) 734-3341

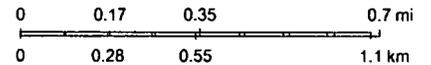
# Red Deer Federal Com #1H



8/9/2018, 9:56:36 AM

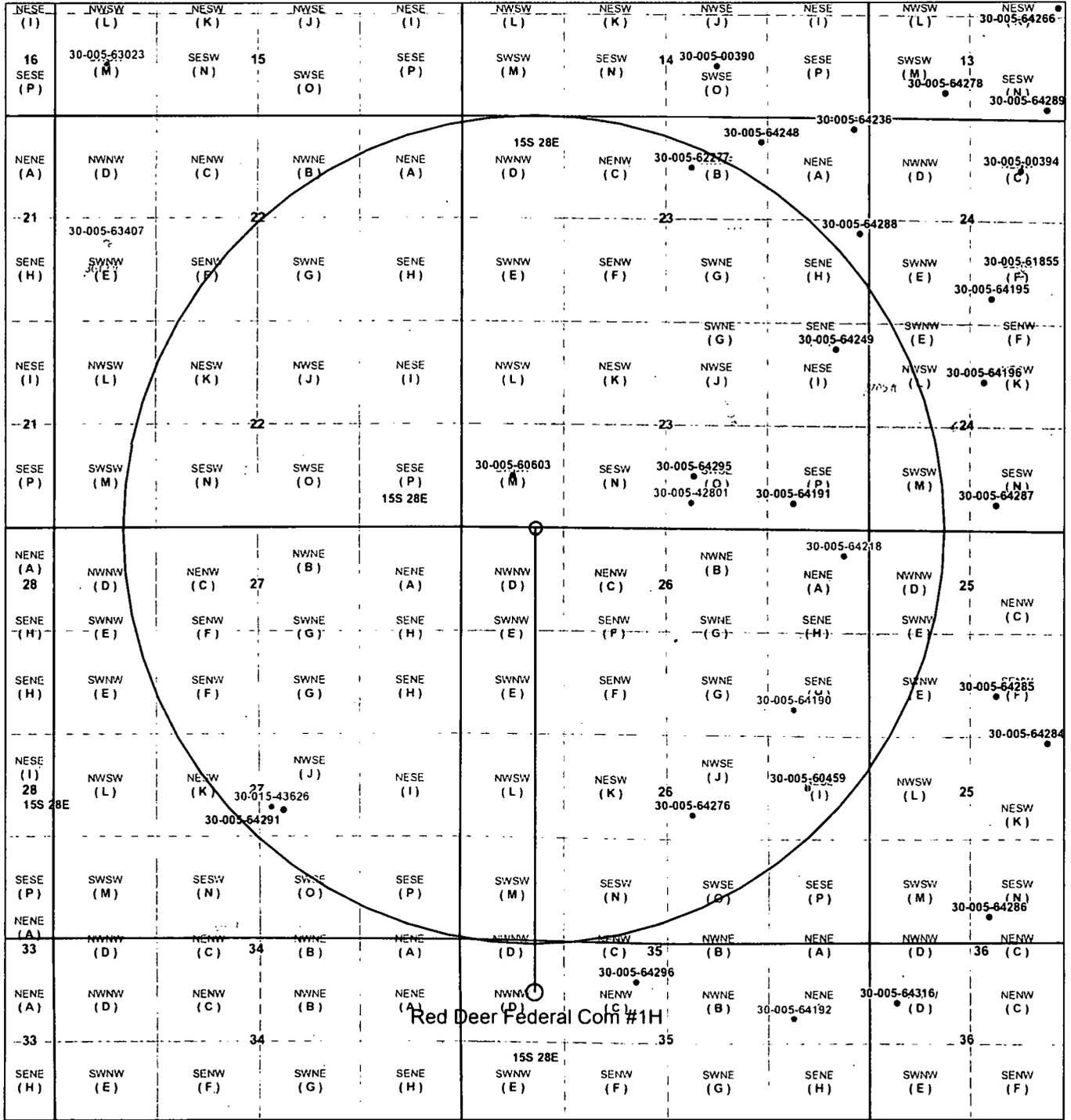
1:18,056

- |  |                              |  |                               |  |  |
|--|------------------------------|--|-------------------------------|--|--|
|  | Override 1                   |  | CO2 Cancelled                 |  | Injection, Temporarily Abandoned           |
|  | Override 2                   |  | CO2 New                       |  | Oil, Active                                |
|  | Points                       |  | CO2, Plugged                  |  | Oil, Cancelled                             |
|  | Override 1                   |  | CO2, Temporarily Abandoned    |  | Oil, New                                   |
|  | Override 2                   |  | Gas Active                    |  | Oil, Plugged                               |
|  | Well Locations - Small Scale |  | Gas, Cancelled, Never Drilled |  | Oil, Temporarily Abandoned                 |
|  | Active                       |  | Gas, New                      |  | Salt Water Injection, Active               |
|  | New                          |  | Gas, Plugged                  |  | Salt Water Injection, Cancelled            |
|  | Plugged                      |  | Gas, Temporarily Abandoned    |  | Salt Water Injection, New                  |
|  | Cancelled                    |  | Injection, Active             |  | Salt Water Injection, Plugged              |
|  | Temporarily Abandoned        |  | Injection, Cancelled          |  | Salt Water Injection Temporarily Abandoned |
|  | Well Locations - Large Scale |  | Injection, New                |  | Water, Active                              |
|  | Miscellaneous                |  | Injection, Plugged            |  | Water, Cancelled                           |
|  | CO2 Active                   |  |                               |  |  |



OCD, Bureau of Land Management, Texas Parks & Wildlife, Esri, HERE, Garmin, INCREMENT P, USGS, METI/WASA, NGA, EPA, USDA, BLM

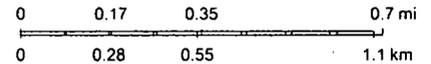
# Red Deer Federal Com #1H BHL



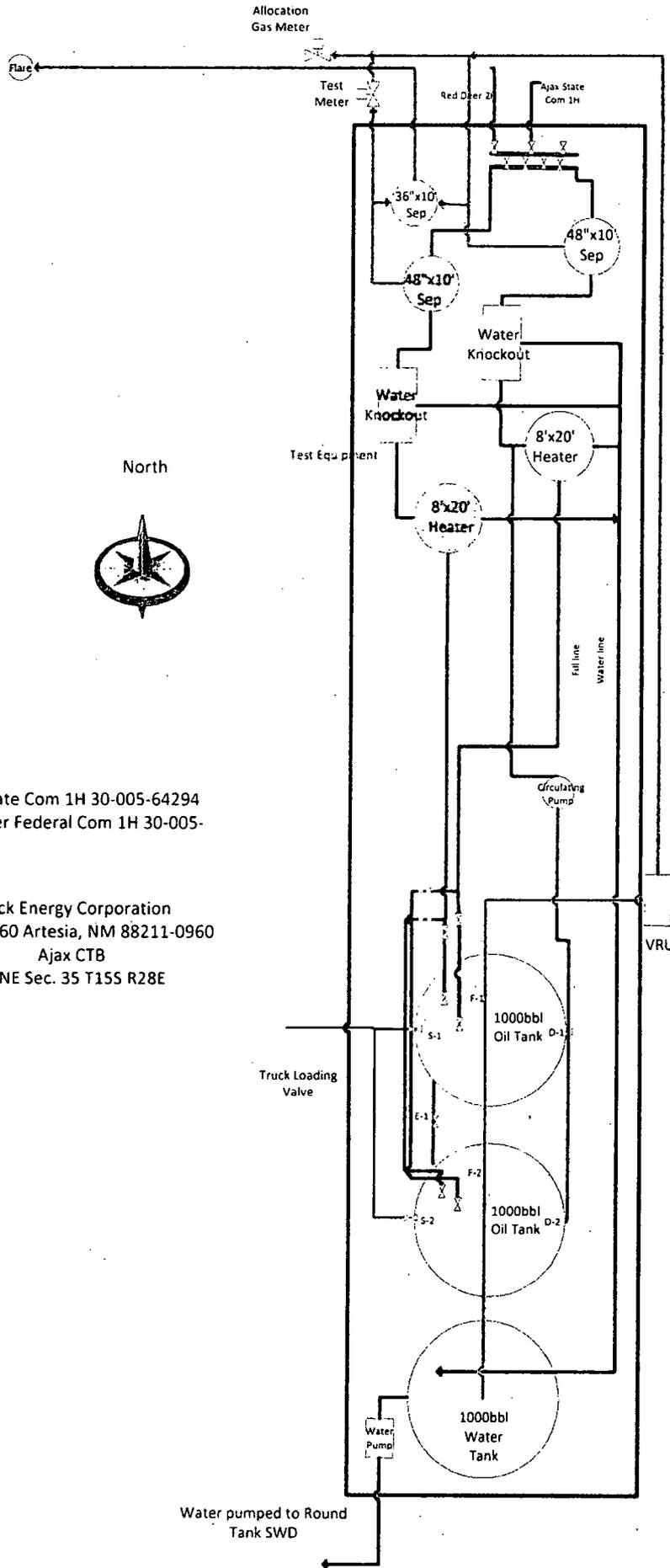
8/9/2018, 9:59:00 AM

1:18,056

- |                                     |                               |  |
|-------------------------------------|-------------------------------|--|
| Override 1                          | CO2 Cancelled                 | Injection, Temporarily Abandoned           |
| Override 1                          | CO2 New                       | Oil, Active                                |
| Points                              | CO2, Plugged                  | Oil, Cancelled                             |
| Override 1                          | CO2, Temporarily Abandoned    | Oil, New                                   |
| Override 2                          | Gas Active                    | Oil, Plugged                               |
| <b>Well Locations - Small Scale</b> | Gas, Cancelled, Never Drilled | Oil, Temporarily Abandoned                 |
| Active                              | Gas, New                      | Salt Water Injection, Active               |
| New                                 | Gas, Plugged                  | Salt Water Injection, Cancelled            |
| Plugged                             | Gas, Temporarily Abandoned    | Salt Water Injection, New                  |
| Cancelled                           | Injection, Active             | Salt Water Injection, Plugged              |
| Temporarily Abandoned               | Injection, Cancelled          | Salt Water Injection Temporarily Abandoned |
| <b>Well Locations - Large Scale</b> | Injection, New                | Water, Active                              |
| CO2 Active                          | Injection, Plugged            | Water, Cancelled                           |



OCD, Bureau of Land Management, Texas Parks & Wildlife, Esri, HERE, Garmin, INCREMENT P, USGS, MET/NASA, NGA, EPA, USDA, BLM



North



Ajax State Com 1H 30-005-64294  
 Red Deer Federal Com 1H 30-005-

Mack Energy Corporation  
 PO Box 960 Artesia, NM 88211-0960  
 Ajax CTB  
 NENE Sec. 35 T15S R28E

Sales Phase

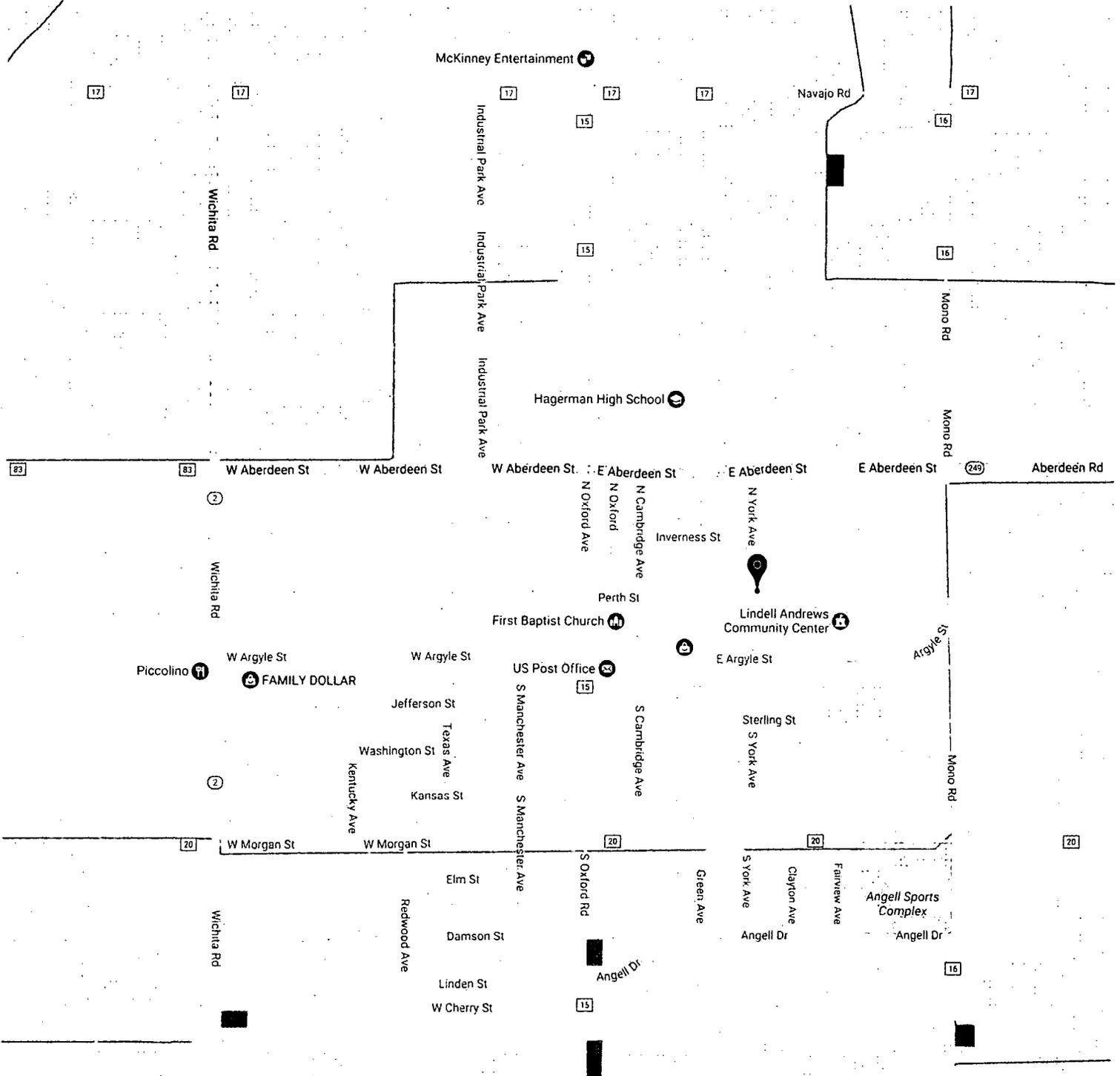
Tank 1	Tank 2
F-1 Closed	F-1 Open
F-2 Open	F-2 Closed
E-1 Closed	E-1 Closed
D-1 Closed	D-1 Open
D-2 Open	D-2 Closed
S-1 Open	S-1 Closed
S-2 Closed	S-2 Open

Production Phase

Tank 1	Tank 2
F-1 Open	F-1 Closed
F-2 Closed	F-2 Open
E-1 Open	E-1 Open
D-1 Open	D-1 Closed
D-2 Closed	D-2 Open
S-1 Closed	S-1 Closed
S-2 Closed	S-2 Closed

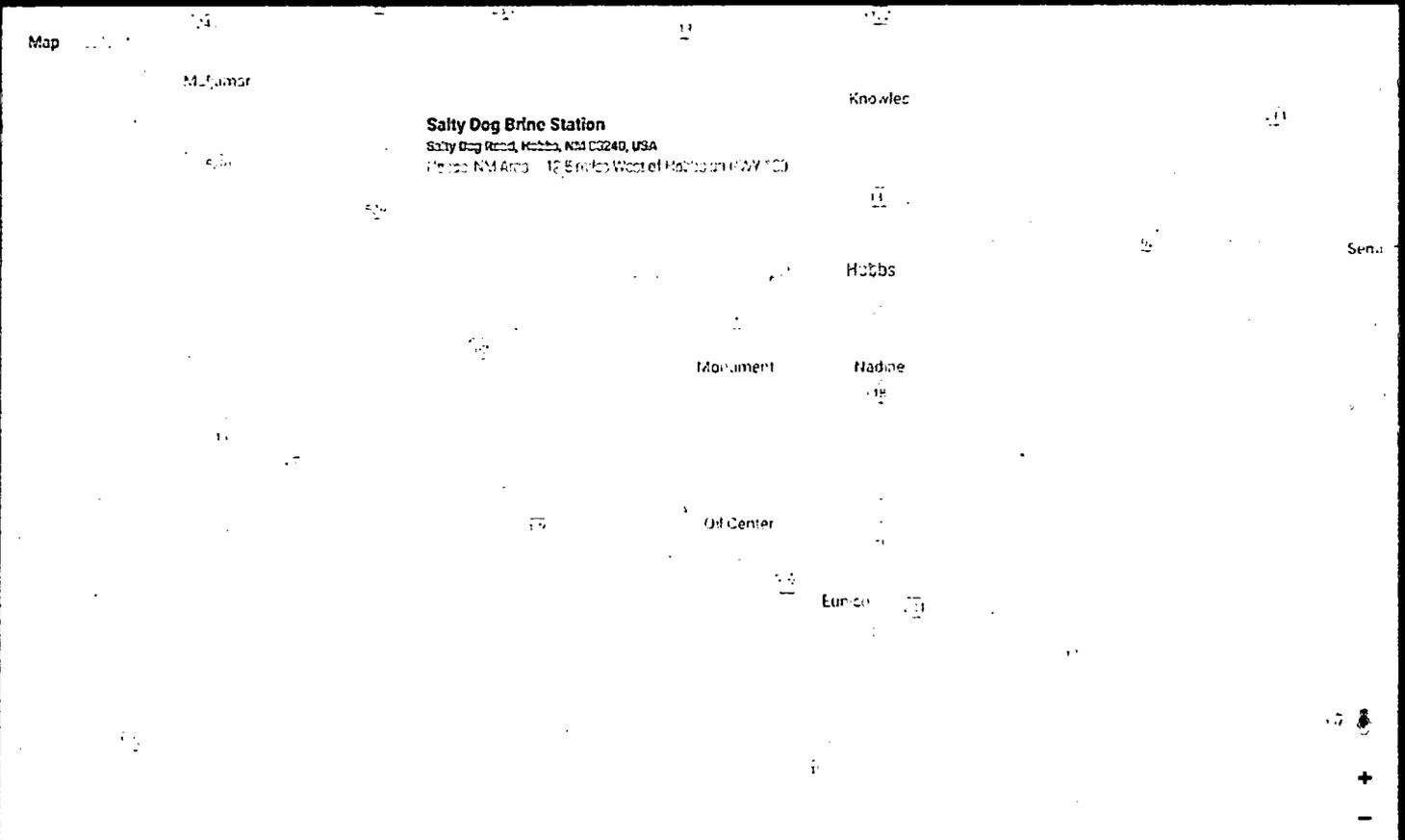
Water pumped to Round Tank SWD

33°06'55.3"N 104°19'24.4"W





- Home
- Mission
- Frac Tank
- Hot Oil Truck
- Pump Truck
- Vacuum Truck
- Well Service
- Disposals
- Fresh Water
- Disposal Sites & Brine Stations & Freshwater
- Well Servicing Rigs
- HS&E
- Standard Energy Locations
- Associations
- News and Events
- Testimonials
- Employment Opportunities
- Equipment For Sale
- Store





32°49'05.3"N 103°59'03.7"W  
 Mor-West Corp. - Loco Hills FW



Hagerman Cutoff Rd

Goat Ropers Rd

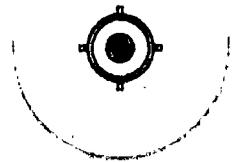
Goat Ropers Rd

Lovington Hwy

Hagerman Cutoff Rd



Loco Hills Post Office   
 Loco Hills



Google

Rd



32°49'05.3"N 103°59'03.7"W



32°52'23.1"N 103°30'18.3"W  
 Gandy Corp - Wasserhund BW



Tatum

172

206

457

Lovington

82



249

Maljamar

82

Loco Hills

Buckeye

529

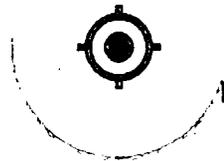
360

62

Monument

62

176



ter

E

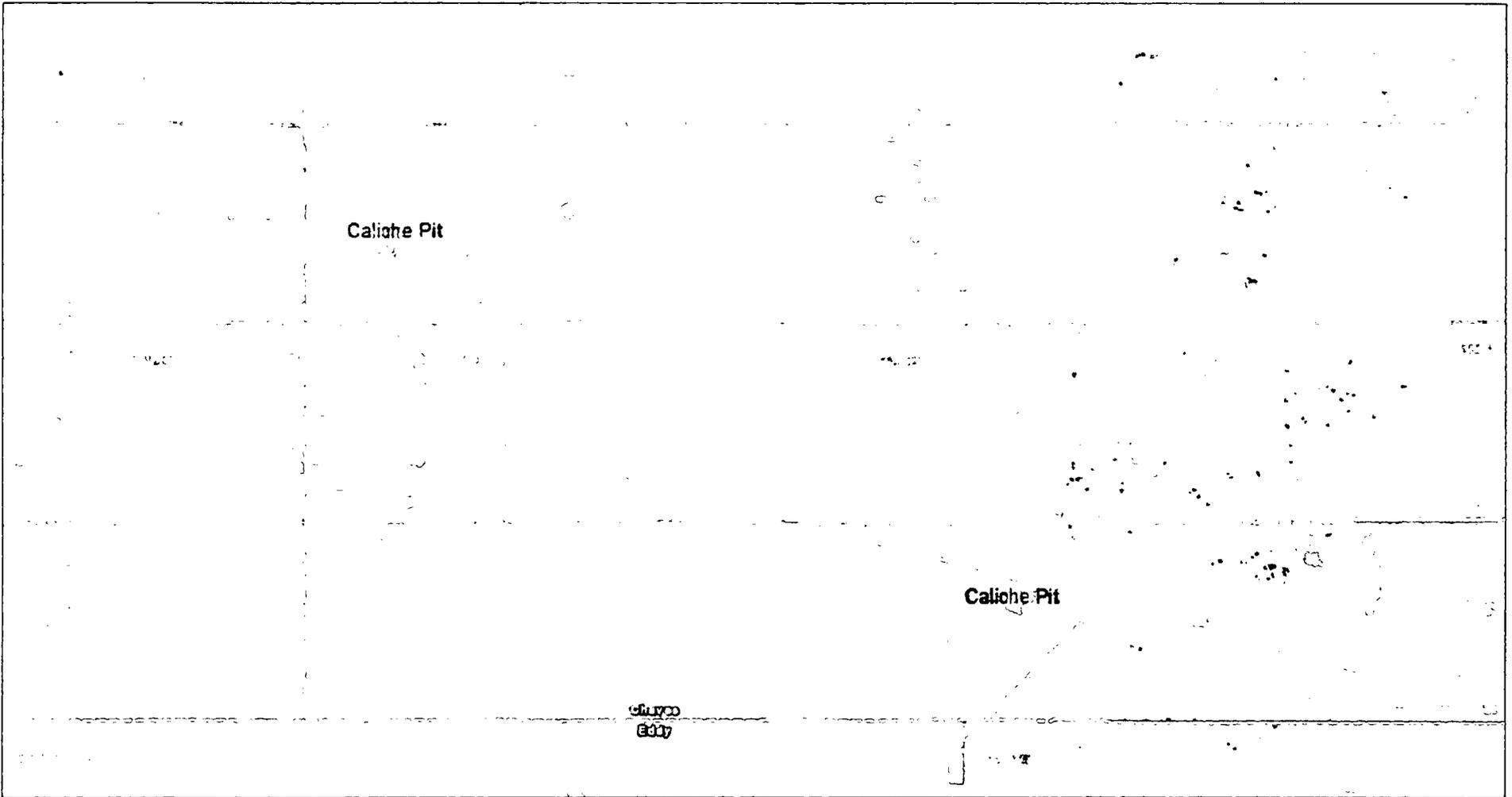
North  
 back

Google



32°52'23.1"N 103°30'18.3"W

# ArcGIS Web Map

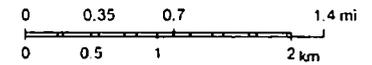


July 27, 2017

## Areas

- Override 1
- OCD District Offices
- PLSSTownship
- PLSSFirstDivision

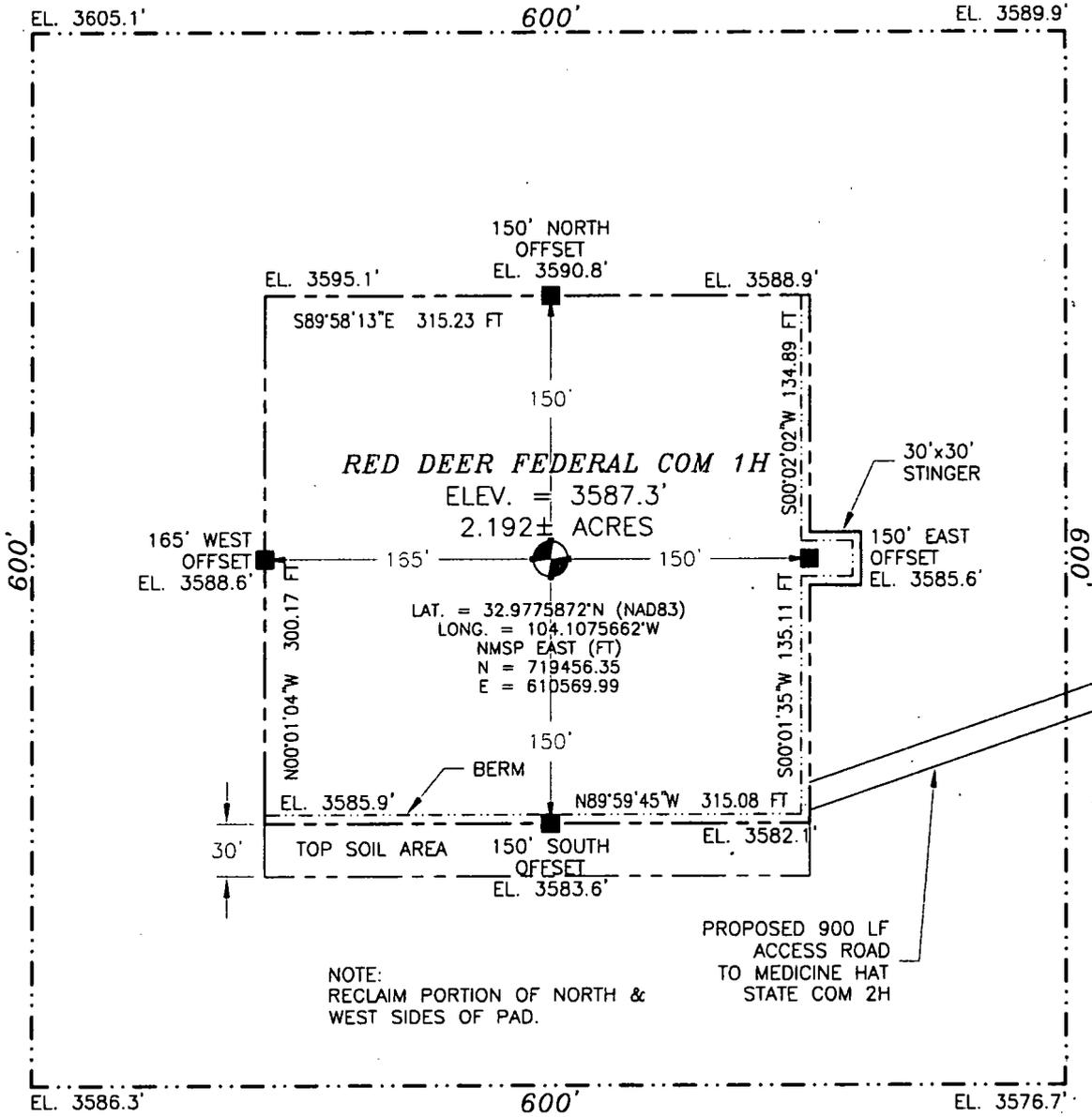
1:36,112



OCD  
Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors,  
and the GIS user community  
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics,

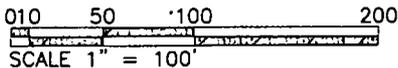
SECTION 35, TOWNSHIP 15 SOUTH, RANGE 28 EAST, N.M.P.M.  
 CHAVES COUNTY, STATE OF NEW MEXICO  
**SITE MAP**

NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE



NOTE:  
 RECLAIM PORTION OF NORTH &  
 WEST SIDES OF PAD.

PROPOSED 900 LF  
 ACCESS ROAD  
 TO MEDICINE HAT  
 STATE COM 2H



**DIRECTIONS TO LOCATION**

FROM INTERSECTION OF STATE HIGHWAY 82 AND CR 209 (TURKEY TRACK) GO NORTH ON CR 209 FOR APPROX. 5.0 MILES TO END OF CR MAINTENANCE, CONTINUE NORTH ON TURKEY TRACK ROAD FOR APPROX. 6.5 MILES, CONTINUE NORTHEAST ON 15' CALICHE LEASE ROAD FOR APPROX. 2500' TO SYDNEY STATE 1H PAD. CONTINUE NORTHWEST ON 15' CALICHE LEASE ROAD FOR APPROX. 0.1 OF A MILE. GO WEST ON 20' CALICHE LEASE ROAD APPROX. 1374' TO MEDICINE HAT STATE COM 2H, FROM SOUTHWEST PAD CORNER FOLLOW ROAD SURVEY SOUTHWEST FOR 900' TO SOUTHEAST PAD CORNER FOR THIS LOCATION.

**MACK ENERGY CORPORATION**  
**RED DEER FEDERAL COM 1H**  
 LOCATED 810 FT. FROM THE NORTH LINE  
 AND 1115 FT. FROM THE WEST LINE OF  
 SECTION 35, TOWNSHIP 15 SOUTH,  
 RANGE 28 EAST, N.M.P.M.  
 CHAVES COUNTY, STATE OF NEW MEXICO

JUNE 22, 2018

SURVEY NO. 5306

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO  
 (575) 234-3341

EL. 3605.1' 600' EL. 3589.9'

Reclaimed Pad 250' x 250'  
1.43 acres

150' NORTH  
OFFSET  
EL. 3590.8'

EL. 3595.1' EL. 3588.9'

S89°58'13"E 315.23 FT

100'

REL DEER FEDERAL COM 1H

ELEV. = 3587.3'

2.192± ACRES

LAT. = 32.9775872°N (NAD83)  
LONG. = 104.1075662°W  
NMSP EAST (FT)  
N = 719436.35  
E = 610569.99

30'x30'  
STINGER

165' WEST  
OFFSET  
EL. 3588.6'

150' EAST  
OFFSET  
EL. 3585.6'

150'

N00°01'34"W 300.17 FT

S00°02'02"W 14.89 FT

EL. 3585.9'

BERM

N89°59'45"W 315.08 FT

30' TOP SOIL AREA

150' SOUTH  
OFFSET

EL. 3583.6'

PROPOSED 900 LF  
ACCESS ROAD  
TO MEDICINE HAT  
STATE COM 2H

NOTE:  
RECLAIM PORTION OF NORTH &  
WEST SIDES OF PAD.

EL. 3586.3' 600' EL. 3576.7'



## SURFACE USE AND OPERATING PLAN

### 1. Existing Access Roads

- A. All roads to the location are shown in Exhibit #6. The existing lease roads are illustrated and are adequate for travel during drilling and production operations. Upgrading existing roads prior to drilling well, will be done where necessary.
- B. Directions to Location: From intersection of State Highway 82 and CR 209 go North on CR 209 for approx 5.0 miles to end of CR maintenance, continue North on Turkey Track Rd for approx 6.5 miles, continue Northeast on 15' caliche lease road for approx. 2500' to Sydney State 1H pad. Continue Northwest on 15' caliche lease road for approx. 0.1 of a mile, go West on 20' caliche lease road approx. 1374' to Medicine Hat State Com 2H, from Southwest pad corner follow road survey Southwest for 900' to Southeast pad corner for this location.
- C. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

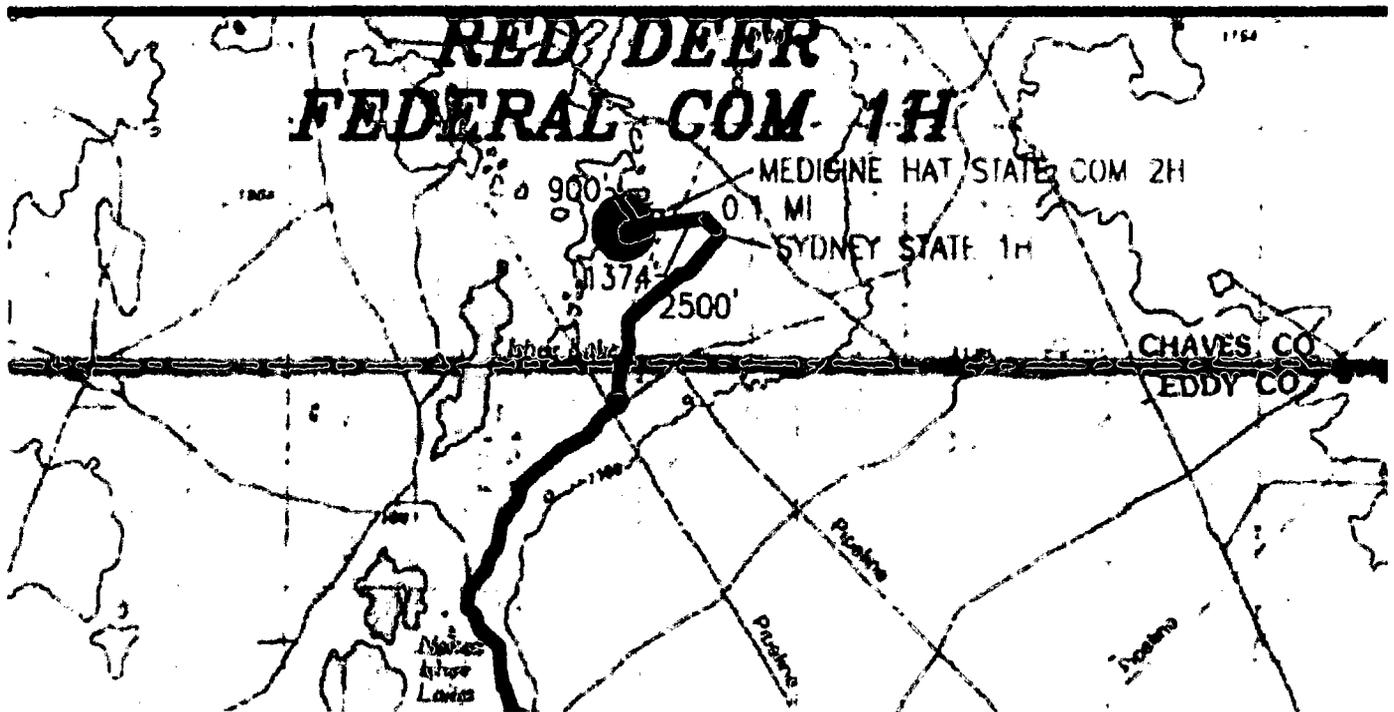


Exhibit #6

### 1. Proposed Access Road:

Vicinity Map shows this location with existing road and 900' of new road exiting the Southeast corner of the pad. Proposed upgrade of existing road will be done along staked centerline survey. Necessary maintenance will be done to insure traffic stays within the access road. The road has been constructed as follows:

- A. The Maximum width of the running surface will be 14'. The road will be crowned and ditched and constructed of 6" rolled and compacted caliche. Ditches will be at 3:1 slope and 3 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns.

- B. The average grade will be less than 1%.
- C. No turnouts are planned.
- D. No culverts, cattleguard, gates, low water crossings or fence cuts are necessary.
- E. Surfacing material will consist of native caliche. Caliche will be obtained from the nearest BLM approved caliche pit located Sec. 19 T15S R29E and Sec. 34 T15S R29E.
- F. The access road as shown in Exhibit #6 is existing.

**2. Location of Existing Wells:**

Exhibit #16 shows all existing wells within a one-mile radius of this well.

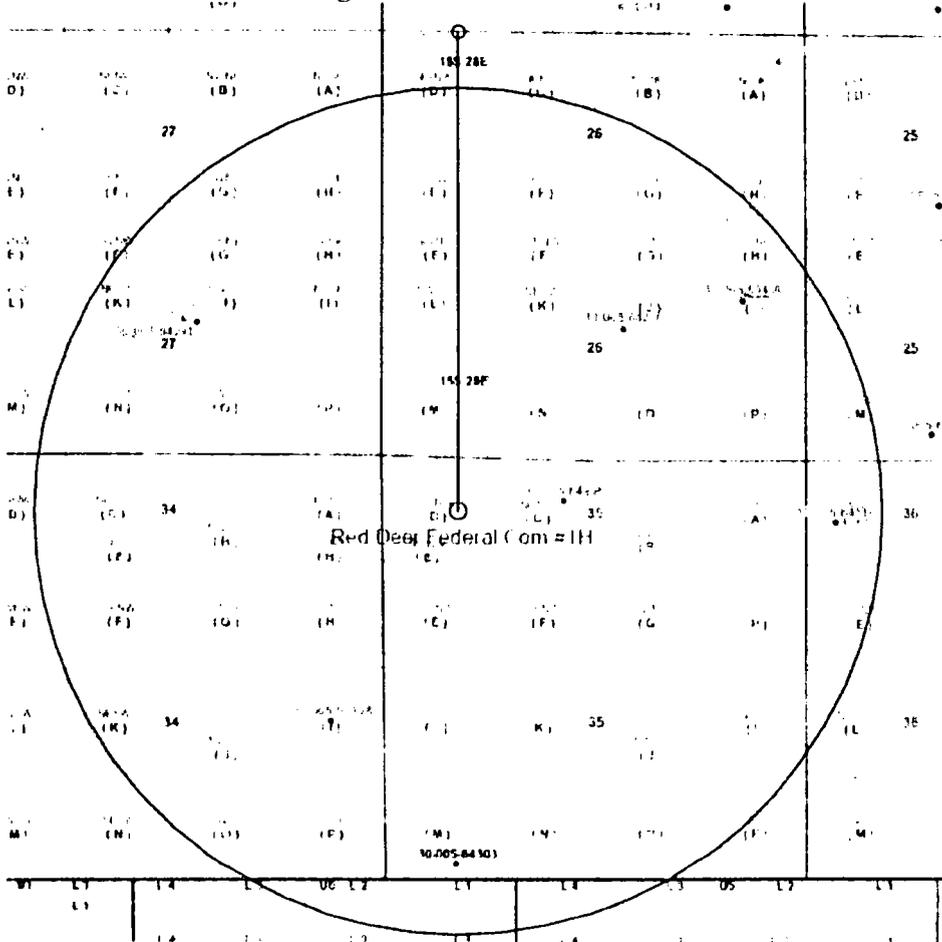


Exhibit #16

**3. Location of Existing and/or Proposed Facilities:**

- A. Mack Energy Corporation will produce this well at the Ajax CTB located NE/4 NE/4 Sec.35 T15S R28E 990 FNL 990 FEL.
- B. If the well is productive, contemplated facilities will be as follows:
  - 1) San Andres Completion: Will be sent to the Ajax CTB located NE/4 Ne/4 Sec. 35 T15S R28E. The facility is shown in Exhibit #13.

- 
- 2) The tank battery and facilities including all flow lines and piping will be installed according to API specifications.
  - 3) Any additional caliche will be obtained from a BLM approved caliche pit. Any additional construction materials will be purchased from contractors.
  - 4) It will be necessary to run electric power if this well is productive. Power will be run by CVE and they will send in a separate plan for power.
- C. Proposed flow lines will tren South to the Ajax CTB. Flowline will be a 4" poly surface line, 3,474' in length with a 40 psi working pressure.

MICULON  
Gas Meter

Flow

First  
Heater

2nd  
Heater

3rd  
Heater

North



Ajax State Com 1H 30-005 64294  
Red Deer Federal Com 1H 30 005

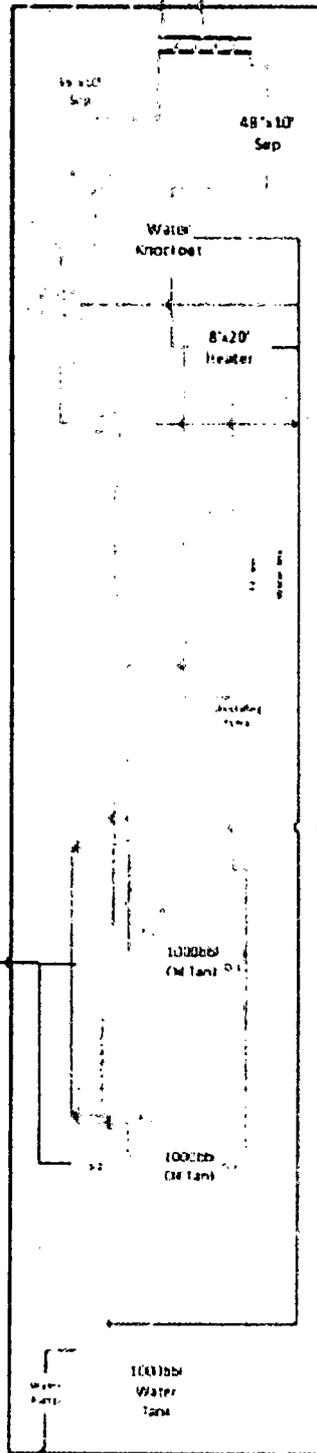
Mack Energy Corporation  
PO Box 960 Artesia, NM 88211-0960  
Ajax CTB  
NENT Sec 35 T155 R28E

Sales Phase

Tank 1	Tank 2
F-1 Closed	F-1 Open
F-2 Open	F-2 Closed
E-1 Closed	E-1 Closed
D-1 Closed	D-1 Open
D-2 Open	D-2 Closed
S-1 Open	S-1 Closed
S-2 Closed	S-2 Open

Production Phase

Tank 1	Tank 2
F-1 Open	F-1 Closed
F-2 Closed	F-2 Open
E-1 Open	E-1 Open
D-1 Open	D-1 Closed
D-2 Closed	D-2 Open
S-1 Closed	S-1 Closed
S-2 Closed	S-2 Closed



Water pumped to Petro-Tank SWD

---

#### 4. Location and Type of Water Supply:

The well will be drilled with combination brine and fresh water mud system as outlined in the drilling program. The water will be obtained from commercial water stations in the area and hauled to location by transport truck over the existing and proposed access roads shown in Exhibit #6. If a commercial fresh water source is nearby, pipeline may be laid along existing road ROW's and fresh water pumped to the well. No water well will be drilled on the location.

#### 5. Source of Construction Materials:

- D. All caliche required for construction of the drill pad and proposed new access road (approximately 2500 cubic yards) will be obtained from BLM approved pit located Sec. 19 T15S R29E and Sec. 34 T15S R29E.

#### 6. Methods of Handling Waste:

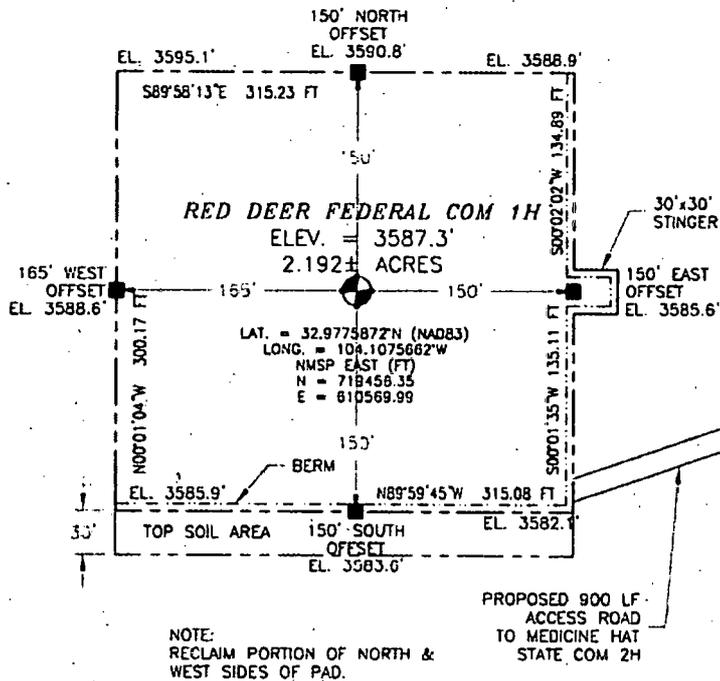
- A. Drill cuttings and fluids will be disposed into the steel tanks and hauled to R-360 disposal facility, permit number NM-01-0006. Located on Hwy 62 at MM 66.
- B. Water produced from the well during completion may be disposed into a steel tank. After the well is permanently placed on production, produced water will be collected in tanks (fiberglass) and trucked to our Round Tank SWD #1; produced oil will be collected in steel tanks until sold.
- C. Garbage and trash produced during drilling or completion operations will be collected in a trash bin and hauled to an approved local landfill. No toxic waste or hazardous chemicals will be produced by this operation.
- D. After the rig is moved out and the well is either completed or abandoned, all waste materials will be cleaned up within 30 days. In the event of a dry hole only a dry hole marker will remain.
- E. Sewage and Gray Water will be placed in container and hauled to a approved facility. Container and disposal handled by Black Hawk.
- F. Drilling fluids will be contained in steel tanks using a closed loop system Exhibit #12. No pits will be used during drilling operations

#### 7. Ancillary Facilities:

No airstrip, campsite or other facilities will be built as a result of the operation on this well.

#### 8. Well Site Layout:

- A. The well site and elevation plat for the proposed well is shown in Exhibit #14. It was staked by Maddron Surveying, Carlsbad, NM.
- B. The drill pad layout, with elevations staked by Maddron Surveying, is shown in Exhibit #14. Dimensions of the pad are shown. Topsoil, if available, will be stockpiled per BLM specifications. Because the pad is almost level no major cuts will be required.
- C. Diagram below shows the proposed orientation of the location. No permanent living facilities are planned, but a temporary foreman/toolpusher's trailer will be on location during the drilling operations.



Exhibit# 14

9. Plans for Restoration of the Surface:

- A. Upon completion of the proposed operations, if the well is completed, any additional caliche required for facilities will be obtained from a BLM approved caliche pit.
- B. Plans for interim and or final remediation:
  - 1) Caliche will be removed, ground ripped and stockpiled topsoil used to recontoured as close as possible to the original natural level to prevent crosion and ponding of water.
  - 2) Area will be reseeded as per BLM specifications. Seeding will be done when moisture is available and weather permitting. Pure live seed will be used to prevent noxious weeds. Annual inspection of growth will be done and necessary measures taken to eliminate noxious weeds.
- C. Exhibit #15 below shows the proposed downsized well site after Interim Reclamation. Dimensions are estimates on present conditions and are subject to change.

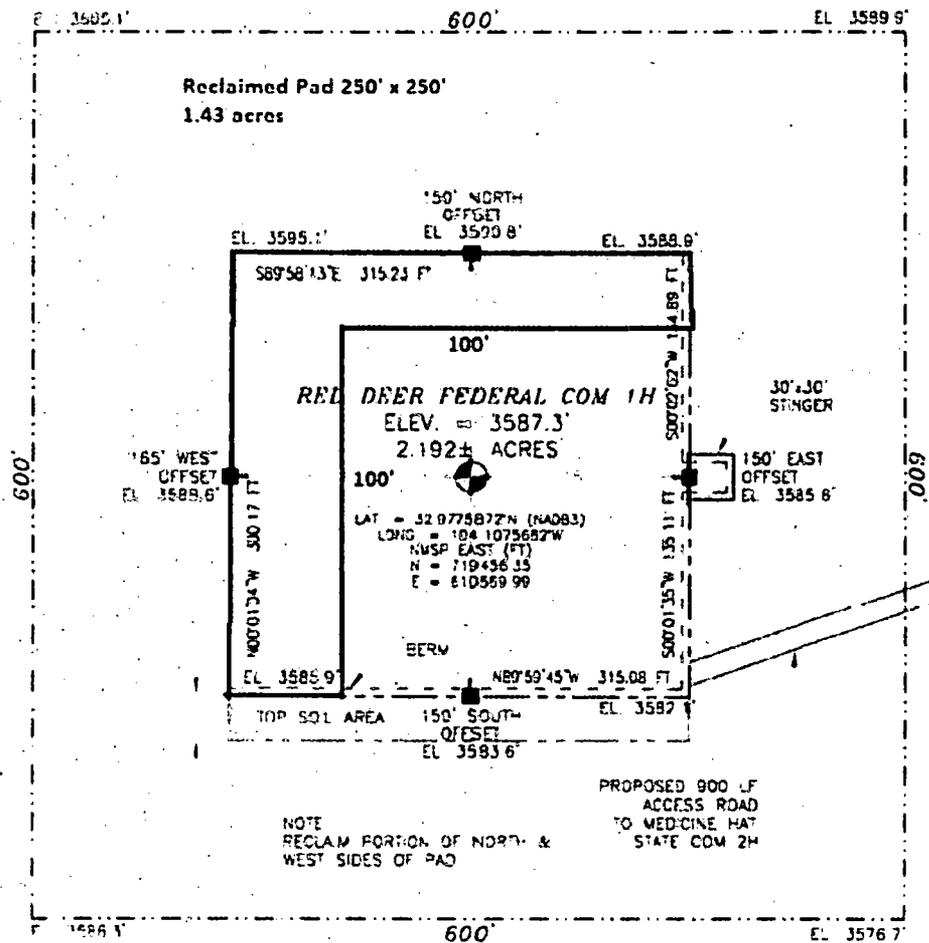


Exhibit #15

**10. Surface Ownership:**

The well site and lease is located entirely on State Land surface.

**11. Other Information:**

- A. The area around the well site is grassland and the topsoil is sandy. The vegetation is native scrub grass with sagebrush.
- B. There is no permanent or live water in the immediate area.
- C. A Cultural Resources Examination has been requested and will be forwarded to your office in the near future.

**12. Lessee's and Operator's Representative:**

The Mack Energy Corporation representative responsible for assuring compliance with the surface use plan is as follows:

Deana Weaver  
Mack Energy Corporation  
P.O. Box 960  
Artesia, NM 88211-0960  
Phone (575) 748-1288 (office)  
dweaver@mec.com

---

**APD CERTIFICATION**

I hereby certify that I, or person under my direct supervision, have inspected the proposed drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed in conformity with this APD package and terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Date: 8.20.13

Signed: Deana Weaver  
Deana Weaver



## Section 2 - Lined Pits

Would you like to utilize Lined Pit PWD options?

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Lined pit PWD on or off channel:

Lined pit PWD discharge volume (bbl/day):

Lined pit specifications:

Pit liner description:

Pit liner manufacturers information:

Precipitated solids disposal:

Describe precipitated solids disposal:

Precipitated solids disposal permit:

Lined pit precipitated solids disposal schedule:

Lined pit precipitated solids disposal schedule attachment:

Lined pit reclamation description:

Lined pit reclamation attachment:

Leak detection system description:

Leak detection system attachment:

Lined pit Monitor description:

Lined pit Monitor attachment:

Lined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Lined pit bond number:

Lined pit bond amount:

Additional bond information attachment:

## Section 3 - Unlined Pits

Would you like to utilize Unlined Pit PWD options?

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

**Describe precipitated solids disposal:**

**Precipitated solids disposal permit:**

**Unlined pit precipitated solids disposal schedule:**

**Unlined pit precipitated solids disposal schedule attachment:**

**Unlined pit reclamation description:**

**Unlined pit reclamation attachment:**

**Unlined pit Monitor description:**

**Unlined pit Monitor attachment:**

**Do you propose to put the produced water to beneficial use?**

**Beneficial use user confirmation:**

**Estimated depth of the shallowest aquifer (feet):**

**Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?**

**TDS lab results:**

**Geologic and hydrologic evidence:**

**State authorization:**

**Unlined Produced Water Pit Estimated percolation:**

**Unlined pit: do you have a reclamation bond for the pit?**

**Is the reclamation bond a rider under the BLM bond?**

**Unlined pit bond number:**

**Unlined pit bond amount:**

**Additional bond information attachment:**

## **Section 4 - Injection**

**Would you like to utilize Injection PWD options?**

**Produced Water Disposal (PWD) Location:**

**PWD surface owner:**

**PWD disturbance (acres):**

**Injection PWD discharge volume (bbl/day):**

**Injection well mineral owner:**

**Injection well type:**

**Injection well number:**

**Injection well name:**

**Assigned injection well API number?**

**Injection well API number:**

**Injection well new surface disturbance (acres):**

**Minerals protection information:**

**Mineral protection attachment:**

**Underground Injection Control (UIC) Permit?**

**UIC Permit attachment:**

## **Section 5 - Surface Discharge**

**Would you like to utilize Surface Discharge PWD options?**

**Produced Water Disposal (PWD) Location:**

**PWD surface owner:**

**PWD disturbance (acres):**

**Surface discharge PWD discharge volume (bbl/day):**

**Surface Discharge NPDES Permit?**

**Surface Discharge NPDES Permit attachment:**

**Surface Discharge site facilities information:**

**Surface discharge site facilities map:**

## **Section 6 - Other**

**Would you like to utilize Other PWD options?**

**Produced Water Disposal (PWD) Location:**

**PWD surface owner:**

**PWD disturbance (acres):**

**Other PWD discharge volume (bbl/day):**

**Other PWD type description:**

**Other PWD type attachment:**

**Have other regulatory requirements been met?**

**Other regulatory requirements attachment:**



U.S. Department of the Interior  
BUREAU OF LAND MANAGEMENT

**Bond Info Data Report**

10/10/2018

### **Bond Information**

**Federal/Indian APD: FED**

**BLM Bond number:**

**BIA Bond number:**

**Do you have a reclamation bond? NO**

**Is the reclamation bond a rider under the BLM bond?**

**Is the reclamation bond BLM or Forest Service?**

**BLM reclamation bond number:**

**Forest Service reclamation bond number:**

**Forest Service reclamation bond attachment:**

**Reclamation bond number:**

**Reclamation bond amount:**

**Reclamation bond rider amount:**

**Additional reclamation bond information attachment:**